LIBRARY
SUPREME COURT, U. S.

Office-Supreme Court, U.S.
FILED
OCT 12 1964
JOHN F. DAVIS, CLERK

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1964

No. 581

HARRY P. LOCKLIN and ELMER J. BRANT, general partners doing business under the firm name of Radiant Color Company,

Petitioners,

vs.

SWITZER BROTHERS, INC., ROBERT C. SWITZER and JOSEPH L. SWITZER,

Respondents.

PETITION FOR THE WRIT OF CERTIORARI
to the United States Court of Appeals for the Seventh Circuit

CARL HOPPE,
2610 Russ Building
San Francisco 4, California
Attorneys for Petitioners.

WILLIAM J. MARSHALL, JR.,
135 South LaSalle Street
Chicago 3, Illinois
Of Counsel for Petitioners.

PERNAU-WALSH PRINTING CO., SAN FRANCISCO, CALIFORNIA

Table of Contents

	Page
Citations to Opinions Below	2
Jurisdiction	2
Questions Presented	2
Constitutional and Statutory Provisions and Court Rule Involved	3
Statement of the Case	3
Reasons for Granting the Writ	5
1. The decision below conflicts with Shawkee Mfg. Co. v. Hartford Co. (1944), 322 U.S. 271	5
2. The decision below conflicts with Mercoid Corp. v. Mid-Continent Co. (1944), 320 U.S. 661	7
3. The decision below violates the due process law of the Fifth Amendment to the Constitution	8
4. The judgment below adversely affects the public interest	10
5. The public interest demands that Radiant be given an opportunity to prove the alleged fraud on the merits	10
6. Heiser v. Woodruff (1946), 327 U.S. 726 is not controlling on the issues	12

Table of Authorities

Cases

	Pages
Bros Incorporated v. W. E. Grace Manufacturing Company (5 Cir. 1963), 320 F. 2d 594	12
Hazel-Atlas Co. v. Hartford Co. (1944), 322 U.S. 238	10
Heiser v. Woodruff (1946), 327 U.S. 726	3, 12
Mercoid Corp. v. Mid-Continent Co. (1944), 320 U.S. 661	7
Precision Co. v. Automotive Co. (1945), 324 U.S. 806	10
Roller v. Holly (1900), 176 U.S. 398	9
Shawkee Mfg. Co. v. Hartford Co. (1944), 322 U.S. 271	5, 11

Constitutional Provision Pages

Fifth Amendment to the Constitution 3, 8, 9

Code Provisions

U. S. Code, Title 15, Section 15 .....3, 7, 9

U. S. Code, Title 15, Section 26 .....3, 7, 9

U. S. Code, Title 28, Section 1254(1) 2

Federal Rules of Civil Procedure

Rule 60(b) 2, 3, 9, 13

Index to Appendix

Page

Appendix "A". Order of the District Court for the Northern District of Illinois, Eastern Division, entered August 23, 1963 1

Appendix "B". Opinion of the Court of Appeals for the Seventh Circuit made July 24, 1964 3

Appendix "C". Judgment of the Court of Appeals made July 24, 1964 13

Appendix "D".
Amendment V to the Constitution of the United States 15
U. S. Code, Title 15, Section 15 15
U. S. Code, Title 15, Section 26 15
Rule 60(b) of the Federal Rules of Civil Procedure 16

Appendix "E". Opinion of Court of Appeals for the Ninth Circuit made November 16, 1961 17

Appendix "F". Complaint filed in the District Court for the Northern District of Illinois, Eastern Division as Civil Action No. 62 C 1708 on September 6, 1962 37

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1964

No.

HARRY P. LOCKLIN and ELMER J. BRANT, general partners doing business under the firm name of Radiant Color Company,

Petitioners,

vs.

SWITZER BROTHERS, INC., ROBERT C. SWITZER and JOSEPH L. SWITZER,

Respondents.

PETITION FOR THE WRIT OF CERTIORARI
to the United States Court of Appeals for the Seventh Circuit

Most respectfully, petitioners pray that the writ of certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit entered on July 24, 1964.

CITATIONS TO OPINIONS BELOW

The order of the District Court, printed in Appendix A, was made without opinion. The opinion of the Court of Appeals, printed in Appendix B, is reported in 335 F. 2d 331.

JURISDICTION

The judgment of the Court of Appeals was entered on July 24, 1964 (Appendix C). Jurisdiction of this Court is invoked under U.S. Code, Title 28, Section 1254(1).

QUESTIONS PRESENTED

1. Relief is sought under the antitrust laws for injuries arising out of an attempt to monopolize by alleged misconduct which includes (a) the use of alleged misrepresentations before the Patent Office to obtain a patent, and (b) the use of alleged spurious physical evidence, misrepresentations, false testimony and false affidavits in an infringement action brought to secure a favorable adjudication enforcing that patent monopoly. Is a claim for that relief barred by res judicata arising out of orders, made in the exercise of judicial discretion, which denied motions made in such infringement action after trial seeking to prove up such alleged misconduct?

2. An independent action preserved under Rule 60(b) of the Federal Rules of Civil Procedure is brought for relief from the judgment obtained by such alleged misconduct. Is that independent action barred by res judicata arising out of such orders?

3. Does *Heiser v. Woodruff* (1946), 327 U.S. 726 compel a federal court to construe Rule 60(b) contra the California rule after which Rule 60(b) was patterned?

CONSTITUTIONAL AND STATUTORY PROVISIONS AND COURT RULE INVOLVED

The questions are presented on the Due Process Clause of the Fifth Amendment to the Constitution; the remedial provisions of the antitrust laws, U. S. Code, Title 15, Sections 15 and 26; and Rule 60(b) of the Federal Rules of Civil Procedure. Those portions of the foregoing upon which petitioners rely are printed in Appendix D.

STATEMENT OF THE CASE

Petitioners (Radiant) and respondent Switzer Brothers, Inc. (Switzer) are competitors in the manufacture of paint and other products using fluorescent pigments. Respondents Robert C. Switzer and Joseph L. Switzer are officers and stockholders of Switzer.

Radiant sought to present two claims for relief in the District Court for the Northern District of Illinois, Eastern Division. It tendered one claim by a motion for leave to file a supplemental counterclaim in an antitrust action which Radiant was then prosecuting against all three respondents in that court. It tendered the other claim by an original complaint against Switzer in the same court. These two pleadings make substantially the same charges. The original complaint is printed herein as

Appendix F, at pages 37 through 53, to bring the charges before this Court.

As found by the Court of Appeals below, both proceedings seek damages and pray that Switzer should be enjoined from representing that a certain Kazenas patent owned by Switzer is valid and infringed and from enforeing a judgment which sustained validity and infringement of that patent and which Switzer had obtained against Radiant in an earlier action (App. B, p. 6). In this earlier action, the District Court for the Northern District of California, Southern Division found Radiant to be guilty of infringing the Kazenas patent by the manufacture, sale, and use of certain resins with which Radiant made its fluorescent pigments (125 P.Q. 515). The Court of Appeals for the Ninth Circuit affirmed that decision (299 F. 2d 160, App. E, pp. 17-36). The writ of certiorari and rehearing were denied (369 U.S. 861, 891).

The allegations of both proceedings below "are of fraud upon the Patent Office and upon the California courts, and that Switzer has used the 'tainted' judgment of the California courts to further its monopoly in violation of the anti-trust laws" (App. B, p. 6).

The courts below found that both pleadings were barred by res judicata (App. A, pp. 1-2; App. C, pp. 13-14). This res judicata was found to flow from certain orders entered by the District Court in California denying a number of motions brought by Radiant after trial in that case seeking to reopen those proceedings to prove up substantially most of the same fraud charges as those presented in the present pleadings (App. B, pp. 4-7). The entire record in these motion proceedings was before both courts

below and it appears in the Appendix to Appellant's Opening Brief in the Court of Appeals for the Seventh Circuit (7 Cir. App. pp. 66-220). Nine copies of this appendix are submitted to this Court with this petition. This appendix discloses that the fact issues tendered on the several motions were considered exclusively and solely upon affidavit evidence and representations of counsel for and against the motions without the benefit of cross-examination or discovery (7 Cir. App. pp. 66-220).

The Court of Appeals for the Ninth Circuit in reviewing that record concluded that it was not an abuse of discretion for the District Court to deny a new trial upon the ground of unclean hands or to refuse to delay judgment in order that hearing might be had on the newly tendered issues (App. E, pp. 35-36).

In the courts below, Switzer urged that the prior motion proceedings were res judicata. The District Court dismissed both pleadings on that ground (App. A, pp. 1-2). The Court of Appeals for the Seventh Circuit affirmed the judgments of the District Court (App. C, pp. 13-14). This petition for the writ of certiorari seeks a review of that judgment.

REASONS FOR GRANTING THE WRIT

1. In determining, that when the California District Court decided there were no grounds shown for granting a new trial, "that ended the matter", the Court of Appeals below rendered a decision in conflict with *Shawkee Mfg. Co. v. Hartford Co.* (1944), 322 U.S. 271.

The court below distinguished *Shawkee* upon the ground that the question of res judicata was not at issue in that case and the facts of fraud were uncontradicted (App. B, p. 8). This differentiation imposes unwarranted exclusionary exceptions upon the application of *Shawkee*. It is to be the public interest that the exceptions thus engrafted upon *Shawkee* should be erased.

Shawkee called attention to the spurious nature of the Clark article almost nine years before the uncontradicted facts of fraud were established in the government antitrust suit on August 25, 1942 (46 F. Supp. 54). Shawkee initiated certain correspondence regarding its suspicions which the Court of Appeals considered during the period from October 30, 1933 through at least December 16, 1933 (137 F. 2d 768). That court manifestly decided that there were no grounds shown in the correspondence for granting any relief; for it entered a decision against Shawkee on January 11, 1934 (68 F. 2d 726). Shawkee filed a petition for rehearing which again urged the spurious nature of the article (137 F. 2d 768). The Court of Appeals pointed out: "There can be no doubt that the matter received the attention of all of the members of the court which had heard the Shawkee, as well as the Hazel-Atlas case."

When the matter was heard in this Court, Hartford in its brief filed on the merits on January 28, 1944, relied upon these earlier unsuccessful efforts in connection with a res judicata and laches defense. At page 24 of its brief (October Term, 1943, No. 423), Hartford stated:

> "Either Shawkee is barred by the denial in 1934 of its petition for rehearing based upon its charges

> then made, the matter being thus *res judicata*, or else it is barred by its utter lack of diligence in not pursuing the inquiry further."

This, then, was the situation when this Court stated, 322 U.S. 273: "None of these facts, we think, should deprive Shawkee and the others of relief against Hartford's fraudulent conduct."

Radiant submits therefore that the determination that the question of res judicata was not in issue is itself in clear conflict with *Shawkee*. It follows that the result is also in conflict with *Shawkee*.

2. In holding that the orders on the prior motions are res judicata as to the antitrust claim, the decision below conflicts with *Mercoid Corp. v. Mid-Continent Co.* (1944), 320 U.S. 661.

The Court of Appeals for the Ninth Circuit relied on Radiant's failure to present the fraud charges at the original trial (App. E, pp. 33-34). However, *Mercoid* holds that a failure to present a defense based upon antitrust violations does not bar an antitrust claim. Thus, different standards are applicable to a motion for a new trial than to an antitrust claim.

On the other hand, the Congress has given a person injured by reason of a violation of the antitrust laws the absolute right, not subject to mere discretion, to obtain injunctive relief as well as treble damages (U.S. Code, Title 15, Sections 15 and 26). *Mercoid* holds that the public interest in the enforcement of the antitrust laws, particularly insofar as such enforcement is based upon a misuse of the patent system, is such that "the

prior judgment is *res judicata* not as to issues which might have been tendered but 'only as to those matters in issue or points controverted, upon the determination of which the finding or verdict was rendered' " (320 U.S. 671).

Mercoid illustrates that rigid enforcement of the antitrust laws in the public interest is a greater affirmative force than is the doctrine of res judicata by way of collateral estoppel, particularly when the antitrust charge involves the misconduct of a patentee.

The parallel in background between *Mercoid* and the case at bar and the conflict in result between the two cases are real. In *Mercoid,* the charge was that the misuse of the patent there in suit constituted a violation of the antitrust laws just as in the case at bar the charge is that the misuse of the patent system by practicing fraud on the Patent Office and upon the federal courts to obtain a favorable judgment in the first case is a violation of the antitrust laws. In *Mercoid,* the misuse defense and the antitrust claim could both have been presented at the prior trial just as the fraud in this case could have been presented at the prior trial. In each case, the Court of Appeals held that the failure so to do constituted res judicata. The added fact that in the case at bar Radiant sought after trial to present the fraud issues in the prior case does not, Radiant submits, serve to distinguish the two situations but serves instead to emphasize the need for resort to the statutory cause of action.

3. In applying res judicata to discretionary orders on motion proceedings, the courts below have deprived

Radiant of its statutory right to damages and injunctive relief under U. S. Code, Title 15, Sections 15 and 26 and of recourse to the independent action established by this Court in Rule 60(b) of the Federal Rules of Civil Procedure, all without due process of law in violation of the Fifth amendment to the Constitution.

It is clear upon the face of the opinion of the Court of Appeals for the Ninth Circuit that the orders which were rendered in the prior case were not based upon the merits of any fraud determination but were based on nonabuse of discretion (App. E, pp. 33-36).

U. S. Code, Title 15, Sections 15 and 26 grants Radiant the right to have the claim of fraud on the Patent Office and on the courts determined on its merits if its claim constitutes a violation of the antitrust laws. Rule 60(b) grants Radiant the right to have that same claim adjudicated on the merits, if such conduct was not in violation of the antitrust laws.

It is manifest that the considerations to which the courts in the Ninth Circuit looked were to decide whether, as a matter of grace, those courts would exercise discretion. But *Roller v. Holly* (1900), 176 U.S. 398, points out at page 409, "The right of a citizen to due process of law must rest upon a basis more substantial than favor or discretion."

Radiant submits that to apply res judicata to a discretionary order has served only to deprive it of due process of law. Radiant should be entitled to a trial on the merits of the fraud issues in some forum. It should

not be deprived of that right through the application of res judicata to mere discretionary orders.

4. The judgment sought to be enjoined adversely affects the public interest. Switzer has used the tainted judgment to further its already adjudicated attempt to monopolize the daylight fluorescent materials field. (App. F, p. 49). The raw ingredients formerly used by Radiant and now used by Switzer in producing the patented materials are in interstate commerce and are made by third persons who are not even parties to the litigation (App. F, p. 50). The patented materials are in popular demand with large segments of the American public who are not even parties to the litigation (App. F, p. 50). The patented claims encompass larger classes of materials than those used in the resin produced by the parties and thus the seeming of a valid monopoly will tend to deter further experimentation and progress in the art (App. F, pp. 50-51). The Kazenas patent issued on October 15, 1957 (App. B, p. 5). Thus, the 17 year monopoly of the patent will remain in force for another 10 years.

Here, as in *Hazel-Atlas Co. v. Hartford Co.* (1944), 322 U.S. 238, 246, the matter of fraud "does not concern only private parties. There are issues of great moment to the public in a patent suit."

5. The public interest demands that Radiant be given an opportunity to rout out and to prove the allegedly fraudulent conduct of Switzer on the Patent Office, on the District Court and on the Court of Appeals. *Precision Co. v. Automotive Co.* (1945), 324 U.S. 806, at page 818, made an especial reference to the "uncompromising

duty'' of all parties to Patent Office proceedings ''to report to it all facts concerning possible fraud or inequitableness underlying the applications in issue.'' *Shawkee Mfg. Co. v. Hartford Co.* (1944), 322 U.S. 271, at page 273, made an especial reference to the requirement that a patent owner ''should make a full disclosure of its fraudulent conspiracy'' when a charge of fraud is made on the record.

Switzer shirked the duty to make full disclosure in both the Ninth and Seventh Circuits. In the Ninth, it shirked that duty by quite easy expedients. It filed affidavits in the original motion proceedings controverting the fraud charges there made, it forestalled discovery after the fraud was unearthed, it protested innocence, and it urged the Ninth Circuit courts to deny the motions there made in the exercise of their discretion. In the Seventh, it shirked that same duty by an even easier expedient. It there urged, in effect, that the success of its own prior efforts to forestall full disclosure are res judicata.

By the present judgment, Switzer has effectively secured, beyond recall other than that of this Court, the fruits resulting from its own failure to make that full disclosure which the public has the right to demand. Shepard's Federal Reporter Citations discloses that the only other suit involving the Kazenas patent was filed on February 11, 1958, against Lawter Chemicals, Inc. (728 O.G. 694). Switzer prevented that action from resulting in disclosure by dismissing that action without prejudice on April 11, 1961, within four months after the denial of

Radiant's motion under Rule 60(b) in the California proceedings (768 O.G. 280). Thus Switzer has, by its own conduct and activity, prevented in this action any possibility of changed circumstances such as the court below found to be controlling in *Bros. Incorporated v. W. E. Grace Manufacturing Company* (5 Cir. 1963), 320 F. 2d 594.

Radiant submits that the right of the public to be free from the unwarranted monopoly of a patent allegedly obtained by fraud and subsequently sustained and enforced by alleged fraud should not be permitted to remain unheard on the merits merely because the Ninth Circuit courts in the exercise of a discretion rarely granted did not desire to reopen the earlier proceedings.

6. *Heiser v. Woodruff* (1946), 327 U.S. 726, upon which the Court of Appeals based its decision (App. B, pp. 7-9), does not announce any rule in conflict with the authorities upon which Radiant here relies or upon which it did rely in the courts below. *Heiser* does not involve the charge that a patentee wrongfully sought a monopoly against the public in violation of the antitrust laws by misuse of the patent system and fraud on the courts. Hence it does not purport to decide the public interest issues here presented. Similarly, *Heiser* does not involve due process because in *Heiser* the party was actually granted "a contested hearing at which evidence, oral and documentary, was received" (327 U.S. 730). Pages 266 to 274 of the printed record in this Court disclose that this hearing took five days. Thus, as distinguished from the case at bar, no fraud issues were determined even preliminarily on conflicting affidavits. Finally, *Heiser* does

not say a word about the independent action preserved by Rule 60(b), nor about the liberal remedial California rule on which Rule 60(b) is based. (Cf. App. B, p. 8, ftnt. 8).

For the reasons stated, petitioners pray that the writ of certiorari issue on this petition.

Respectfully submitted,

CARL HOPPE,

Attorneys for Petitioners.

WILLIAM J. MARSHALL, JR.,

Of Counsel for Petitioners.

(Appendices "A", "B", "C", "D", "E" and "F" Follow)

Appendix "A"

In the United States District Court
for the Northern District of Illinois
Eastern Division

Harry P. Locklin and Elmer J. Brant, General Partners doing business under the firm name of Radiant Color Company, Counter-Plaintiffs, v. Switzer Brothers, Inc., Robert C. Switzer and Joseph L. Switzer, Counter-Defendants.	Civil Action No. 52 C 1198
Harry P. Locklin and Elmer J. Brant, General Partners doing business under the firm name of Radiant Color Company, Plaintiffs, v. Switzer Brothers, Inc., Defendant.	Civil Action No. 62 C 1708

ORDER

These causes having come before this Court on a Motion for leave to File Supplemental Counterclaim in Civil Action No. 52 C 1198, and on Complaint filed in Civil Action No. 62 C 1708, and the same having been fully heard upon oral arguments and written briefs of the parties;

and upon a full consideration of the entire record of the proceedings in the California Case, Civil Action No. 38,995;

It is Hereby Ordered and Adjudged:

That said Motion for Leave to File Supplemental Counterclaim in said Civil Action No. 52 C 1198 be and hereby is denied and/or dismissed, and that said Complaint in said Civil Action No. 62 C 1708 be and hereby is dismissed, for the reason that all matters of alleged fraud raised by said proposed Supplemental Counterclaim and by said Complaint are barred because of res judicata in view of the fact that all of said matters of alleged fraud were presented to and decided by the District Court for the Northern District of California, Southern Division, and the Court of Appeals for the Ninth Circuit in *Harry P. Locklin and Elmer J. Brant, General Partners d.b.a Radiant Color Company v. Switzer Brothers, Inc.,* Civil Action No. 38,995.

So Ordered:

Decker, J.
United States District Judge.

Approved as to form:
William J. Marshall, Jr.,
Attorney for Harry P. Locklin and Elmer J. Brant, General Partners doing business under the firm name of Radiant Color Company.

Appendix "B"

In the United States Court of Appeals
for the Seventh Circuit

Nos. 14383, 14384 September Term, 1963
April Session, 1964

No. 14383

Harry P. Locklin and Elmer J. Brant, general partners doing business under the firm name of Radiant Color Company,
Counter-Plaintiffs-Appellants,

v.

Switzer Brothers, Inc., Robert C. Switzer and Joseph L. Switzer,
Counter-Defendants-Appellees.

No. 14384

Harry P. Locklin and Elmer J. Brant, general partners doing business under the firm name of Radiant Color Company,
Plaintiffs-Appellants,

v.

Switzer Brothers, Inc.,
Defendant-Appellee.

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division

July 24, 1964

Before Schnackenberg, Kiley and Major, Circuit Judges.

Kiley, Circuit Judge. The question in these appeals is whether the denial of post-trial motions in the California

courts of the Ninth Circuit[1] for a new trial and to set aside judgment, and affirmance of denials on appeal, are res judicata of these later independent equitable actions in this circuit which attempt in effect to set aside the California judgment on "substantially most" of the same grounds raised on the motions in the California courts.

We think the District Court for the Northern District of Illinois did not err in deciding that the California judgments are res judicata of the issues raised by Radiant in its complaint in civil action No. 62-C-1795[2] and its proffered supplemental counterclaim in civil action No. 52-C-1198.[3]

The motion in 52-C-1198 was intended to supplement Radiant's counterclaim as intervenor in *Switzer Bros., Inc. v. Locklin,* filed in the United States District Court for the Northern District of Illinois in June, 1952. Radiant there succeeded in its counterclaim charging anti-trust violation with respect to daylight fluorescent patents of Switzer not involved here. This court affirmed, 297 F. 2d 39 (7th Cir. 1961), and the Supreme Court denied certiorari to both parties. 369 U.S. 851 (1962).

While *Switzer Bros., Inc. v. Locklin* was pending in this circuit, Radiant sued Switzer in the United States District

---

[1]*Locklin v. Switzer Bros., Inc.*, 299 F. 2d 160 (9th Cir. 1961), *cert. denied*, 369 U.S. 861 (1962), *affirming*, 125 U.S.P.Q. 515 (N.D. Cal. 1959).

[2]The subject of appeal in No. 14384.

[3]The subject of appeal in No. 14383. Since the identical issues are presented in both appeals, we will decide No. 14383 on the merits and not consider Switzer's argument that it be dismissed as an attempted appeal from a non-appealable order, or consider whether it was properly brought in the first instance. See note 4, *infra.*

Court for the Northern District of California for a declaration that Kazenas patent No. 2,809,954, issued October 15, 1957, was invalid and not infringed. Switzer, assignee of that patent, counterclaimed for infringement. The California district court filed a memorandum, finding the Kazenas patent valid and infringed. 125 U.S.P.Q. 515 (N.D. Cal. 1959). Radiant moved, supported by affidavits, to dismiss Switzer's counterclaim on grounds of unclean hands, but the court entered judgment in conformity with its memorandum, restraining Radiant from infringing Switzer's patent.

Radiant then filed a motion for a new trial, based on newly discovered evidence and alleged fraud of Switzer in obtaining the patent and judgment. The grounds for new trial centered around "newly discovered evidence," *i.e.*, "the present physical condition of Exhibit N," and the deposition of Kazenas taken in another action. The motion was denied after hearing, and Radiant appealed.

Radiant's motion in the Ninth Circuit Court of Appeals to remand the cause to the district court with directions to try the issue of unclean hands on the merits was denied without prejudice to renew it on oral argument. Radiant subsequently moved in the district court for relief from judgment under Rule 60(b), FED. R. CIV. P., on grounds of newly discovered evidence, *i.e.*, Anas patent No. 2,852,480, which, it claimed, would invalidate the Kazenas patent. The motion was denied after hearing. The Ninth Circuit affirmed the judgment in the main action, 299 F. 2d 160 (9th Cir. 1961), and upheld the trial court's denials of the several motions to re-open the case. Certiorari was denied by the United States Supreme Court, 369 U.S. 861 (1962).

Radiant then came to the Northern District of Illinois and filed the two proceedings before us.[4] Radiant admits that both are based on the same factual allegations. Both seek damages, and pray that Switzer be enjoined from representing Kazenas patent No. 2,809,954 as valid and infringed and from enforcing the California judgment. The allegations are of fraud upon the Patent Office and upon the California courts, and that Switzer has used the "tainted" judgment of the California courts to further its monopoly in violation of the anti-trust laws.

Radiant conceded, in the California district court, that it could not show diligence in its motion for a new trial but could show an excuse for lack of diligence. The court saw no aspect of "fraud or chicanery" on the patent application by Switzer; thought that on the issue of the alleged counterfeit exhibit a new trial would merely result in parties seeking to present "some additional experts to expound their views" and "we would be back where we were;" and said, in response to Radiant's request for an opportunity to prove fraud, on the court and the Patent Office, "you had an opportunity to do that***at the trial." And the court, in passing on the 60(b) motion observed that "The invention disclosed in the Anas patent is sufficiently similar to the invention claimed***to warrant the prima facie conclusion that the Anas patent would be anticipatory if it were entitled to priority," but found, from

---

[4]We do not pass on the propriety of Radiant seeking to file a supplemental counterclaim in No. 52-C-1198 in the district court without seeking leave of this court, although the original judgment had been affirmed by this court and the mandate issued. See *Geuder, Paeshke & Frey Co. v. Clark*, 288 F. 2d 1 (7th Cir. 1961), *cert. denied*, 368 U.S. 926.

the uncontroverted affidavit filed by Switzer,[5] that the invention claimed in the Kazenas patent was reduced to practice prior to the invention claimed in the Anas patent, and concluded that, therefore, "it does not appear that the evidence which might be adduced upon a new trial would alter the decision heretofore made."

The Ninth Circuit Court of Appeals affirmed: the district court did not abuse its discretion "bearing in mind both lack of diligence and the showing made with respect to fraud and the public welfare" in denying "a new trial on the ground of unclean hands or to refuse to delay judgment in order that a hearing might be had on the newly tendered issues." 299 F. 2d at 170. These are the issues which Radiant claims were not passed on in the California courts. There is no merit in the claim.

There is no merit either in Radiant's contention that neither California court passed on the truth of the grounds urged for a new trial. Once the California district court decided there were no grounds shown for granting a new trial, there was no need for it to go further and decide upon the merits of the grounds urged. Since the Ninth Circuit Court of Appeals decided the district court did not abuse its discretion, that ended the matter. *Heiser v. Woodruff*, 327 U.S. 726, 736 (1945).

We think Rule 60(b),[6] under the circumstances before us, provides for alternative, and not cumulative, methods

---

[5]This uncontroverted affidavit is now alleged to be false. But no claim was made to the California courts that the affidavit was false.

[6]Rule 60(b) provides that a court may set aside a judgment "upon such terms as are just" for "newly discovered evidence" or "fraud * * *, misrepresentation, or other misconduct of an adverse party" so long as the motion was within one year after entry of

of relief, and we do not think the rule should be construed to preclude, as Radiant argues, the bar of res judicata. *Heiser v. Woodruff*, 327 U.S. 726, 733 (1945).

The *Heiser* case is close to the situation before us. There the Supreme Court reversed a judgment of the Tenth Circuit and held that a previous adjudication, that the judgment against a bankrupt was not procured by fraud, may not be disregarded, even though in the previous litigation the allegations of fraud were not supported by tender of evidence or other proof. 327 U.S. at 736.

Neither *Hazel-Atlas Co. v. Hartford-Empire Co.*, 322 U.S. 238 (1944), nor *Shawkee Mfg. Co., v. Hartford-Empire Co.*, 332 U.S. 271 (1944), has relevance to the situation before us. The question of res judicata was not at issue in either case, and the uncontradicted facts of fraud differentiate both cases from that before us. And we do not think that footnote 5[7] of the *Hazel-Atlas* opinion compels our decision that in the circumstances of this case the California court was required to hear evidence in order to render res judicata denial of the motions.

We need not—because Rule 60(b), as adopted in 1938, was patterned after a California rule—construe, as California courts have done,[8] a denial of post-trial motions as

---

judgment. The rule further provides: "This rule does not limit the power of a court to entertain an independent action to relieve a party from judgment * * *."

[7]"5 We do not hold, and would not hold, that the material questions of fact raised by the charges of fraud against Hartford could, if in dispute, be finally determined on ex parte affidavits without examination and cross-examination of witnesses. * * *" 322 U.S. at 249.

[8]See *Jeffords v. Young*, 98 Cal. App. 400, 277 Pac. 163 (1929), *Estidillo v. Security Loan & Trust Co.*, 149 Cal. 556, 87 Pac. 19 (1906).

not res judicata of a later independent action to set aside judgment on the same grounds. Although California decisions may guide us as to the scope of relief under Rule 60(b), *Fiske v. Buder,* 125 F. 2d 841 (8th Cir. 1942), 7 MOORE, FEDERAL PRACTICE, §60.10 [5]-[9] (2d ed. 1955), we are compelled by *Heiser v. Woodruff,* 327 U.S. 726 (1945), not to extend the California construction of the rule to the question of whether a ruling on a motion is res judicata of a later independent equitable action.

The independent equitable action may be maintained in any court exercising equitable jurisdiction,[9] *Bros, Inc. v. W. E. Grace Mfg. Co.,* 320 F. 2d 594, 607 (5th Cir. 1963), and "may or may not be begun in the court which rendered the judgment." Notes of Advisory Committee on Rules, Rule 60(b), FED. R. CIV. P., 28 U.S.C. at p. 123 (1960). However, a "foreign" federal court will not set aside a judgment, in an independent equitable action, unless the judgment would be set aside on those same grounds by the "home" federal court. *Bros, Inc., v. W. E. Grace Mfg. Co.,* 320 F. 2d 594, 607 (5th Cir. 1963). And here the California district court has already decided not

---

[9]However, the Ninth Circuit recently found no authority to entertain an independent equitable action and refused to entertain a suit which in effect would dissolve an injunction issued by the district court for the District of Minnesota in *Lapin v. Shulton, Inc,* ..... F.2d ..... (9th Cir., decided May 27, 1964), saying:

"We do hold that considerations of comity and orderly administration of justice demand that the nonrendering court should decline jurisdiction of such an action and remand the parties for their relief to the rendering court, so long as it is apparent that a remedy is available there."

to set aside the judgment on "substantially most" of the same issues as raised here.[10]

The ruling by the California district court was within the court's discretion and the court gave these reasons for exercising its discretionary ruling: accepting as true the charges with respect to the Patent Office, no "aspect of fraud" was shown, and no excuse for lack of diligence; and with respect to fraud on the court, the substance of the "newly discovered evidence" could have been discovered and used at the trial. Radiant, making no further showing in the actions before us, failed to meet the substantive requirements which it must meet to seek relief from judgment. Failed for the same reason that the court said movant did in *Philippine National Bank v. Kennedy*, 295 F. 2d 544, 545 (D.C. Cir. 1961): "the judge who tried the case, and who was fully familiar with the evidence formerly offered, decided that plaintiff-appellant was not entitled to relief," 295 F. 2d at 545.

Bros, Inc. v. W. E. Grace Mfg. Co., 320 F. 2d 594 (5th Cir. 1963), can be distinguished from the present case because in *Bros* there "was a sufficient probable showing of circumstances which, if finally sustained after proof

---

[10]Although "fraud may be urged as a basis for relief by independent action insofar as established doctrine permits," Notes of Advisory Committee on Rules, Rule 60(b), FED. R. CIV. P., 28 U.S.C. at p. 124 (1960), the rule, as a substitute for the classic bill in the nature of a bill of review, cannot be used to gain relief in equity where the motion for a new trial has been already adjudged insufficient, *Heiser v. Woodruff*, 327 U.S. 726, 736 (1945), 3 FREEMAN, JUDGMENTS, §1199 at p. 2491 (1925), any more than its predecessor bills in equity could. *Folsom v. Ballard*, 70 Fed. 12, 14 (8th Cir. 1895), *Hendrickson v. Bradley*, 85 Fed. 508, 515-16 (8th Cir. 1898).

and hearing, would justify some character of equitable relief." 320 F. 2d at 607. In *Bros,* the Sixth Circuit's judgment, upholding the validity of the patent, *Gibson-Stewart Co., v. Wm. Bros Boiler & Mfg. Co.,* 264 F. 2d 776 (5th Cir. 1959), *cert. denied,* 360 U.S. 929, was attacked first in the Sixth Circuit on grounds of alleged prior public use, "most important" that an advertising folder describing the invention was distributed more than one year prior to the filing of the patent application. Patentee's officer most familiar with the invention, in an affidavit opposing the motion, denied that the brochure was prepared and distributed at the date specified. However, in a subsequent suit involving the validity of the same patent in the District of Minnesota, he testified that he did not know when the brochure was published, and the court found the patent "invalid because it was described in a printed publication **** more than one year prior" to the application. *Browning Mfg. Co. v. Bros, Inc.,* 134 U.S.P.Q. 231 (D. Minn. 1962). This was affirmed on appeal, 312 F. 2d 385 (8th Cir. 1963). The Fifth Circuit was then faced with the question whether, in view of these changed circumstances after the time of the Sixth Circuit's denial of the 60(b) motion, it should enforce the Sixth Circuit's judgment on grounds of res judicata, without looking into the question of prior use itself. We have no showing of changed circumstances here after the Ninth Circuit's judgment.

Radiant presented its charges three times before the California district court (the settlement of findings, motions for new trial and to vacate judgment) and again before the Ninth Circuit Court of Appeals. It was denied relief, on the same grounds it presents here.

We conclude that the district court did not err in deciding that the judgment of the California district court, affirmed by the Ninth Circuit, is res judicata of the issues presented in these suits.

For the reasons given, the judgments are AFFIRMED.

A true Copy:

Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit.

Appendix "C"

United States Court of Appeals
For The Seventh Circuit
Chicago 10, Illinois

Friday, July 24, 1964

Before

Hon. Elmer J. Schnackenberg, Circuit Judge
Hon. Roger J. Kiley, Circuit Judge
Hon. J. Earl Major, Circuit Judge

No. 14383
Harry P. Locklin and Elmer J. Brant, etc.,
Counter-Plaintiffs-Appellants,
vs.
Switzer Brothers, Inc., et al.,
Counter-Defendants-Appellees;

No. 14384
Harry P. Locklin and Elmer J. Brant, etc.,
Plaintiffs-Appellants,
vs.
Switzer Brothers, Inc.,
Defendant-Appellee.

Appeals from the United States District Court
for the Northern District of Illinois
Eastern Division

This cause came on to be heard on the transcript of the record from the United States District Court for the

Northern District of Illinois, Eastern Division, and was argued by counsel.

On consideration whereof, it is ordered and adjudged by this court that the judgments of the said District Court in this cause appealed from be, and the same are hereby, AFFIRMED, with costs, in accordance with the opinion of this Court filed this day.

Appendix "D"

Amendment V to the Constitution of the United States provides:

> "No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; *nor shall any person* be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor *be deprived of* life, liberty, or *property, without due process of law;* nor shall private property be taken for public use, without just compensation." (emphasis added).

United States Code, Title 15, section 15, provides:

> "Any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee."

United States Code, Title 15, section 26, provides in part:

> "Any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by a violation of the antitrust laws, including sec-

tions 13, 14, 18, and 19 of this title, when and under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity, under the rules governing such proceedings, . . ."

Rule 60(b) of the Federal Rules of Civil Procedure provides in part:

"On motion and upon such terms as are just, the court may relieve a party or his legal representative from a final judgment, order, or proceeding for the following reasons: . . . (3) fraud (whether heretofore denominated intrinsic or extrinsic), misrepresentation, or other misconduct of an adverse party; . . . or (6) any other reason justifying relief from the operation of the judgment. . . . This rule does not limit the power of a court to entertain an independent action to relieve a party from a judgment, order or proceeding, . . . or to set aside a judgment for fraud upon the court. Writs of coram nobis, coram vobis, audita querela, and bills of review and bills in the nature of a bill of review, are abolished, and the procedure for obtaining any relief from a judgment shall be by motion as prescribed in these rules or by an independent action."

Appendix "E"

United States Court of Appeals
for the Ninth Circuit

Harry P. Locklin and Elmer J. Brant, general partners doing business under the firm name of Radiant Color Company. Appellants, vs. Switzer Brothers, Inc., a corporation, Appellee.	No. 16,780 Nov. 16, 1961

Upon Appeal from the United States District Court
for the Northern District of California
Southern Division

Before: BARNES, JERTBERG and MERRILL,
Circuit Judges

MERRILL, Circuit Judge:

Appellants, doing business in California as Radiant Color Company, are manufacturers of fluorescent paints. They have taken this appeal from a judgment determining that they have infringed a patent held by appellee. The parties hereafter shall be referred to as "Radiant" (appellants) and "Switzer" (appellee).

Suit was originally brought by Radiant. It had been notified by Switzer that certain of its pigments infringed Switzer's resin patent number 2,809,954. This action was brought seeking declaratory relief: a determination that the patent in question was invalid and was not infringed. Switzer counterclaimed, charging Radiant with infringe-

ment and asking injunctive relief. The district court ruled that the patent was valid and infringed and granted Switzer relief in accordance with these determinations.

The patent in question was issued October 15, 1957, to Zenon Kazenas and subsequently was assigned to Switzer. It is for a resin useful in the manufacture of pigments and for the process of obtaining that resin. A preliminary consideration of the characteristics and chemical components of such resins is essential to any discussion of the issues presented by this appeal.

Such resins are classified industrially as "thermosetting" and "thermoplastic." A thermosetting resin is one which, upon heating in a mold, hardens to form an infusible "thermoset" resin that no longer can be softened or fused by heating. A thermoplastic resin, in contrast, can be softened or fused by heat repeatedly.

For resins satisfactorily to be incorporated into pigments, certain characteristics are important. The resin must be capable of being finely ground. Once ground, it must remain insoluble in common paint vehicles or solvents and in a state of free flowing suspension.

Thermosetting resins, being tough and hornlike, are generally difficult to grind. Thermoplastic resins generally are also difficult to grind due to their tendency to ball up or "agglomerate" at the temperatures encountered during grinding. Furthermore, they generally do not remain in a free flowing state of suspension in common paint vehicles, but again tend to agglomerate.

We are here concerned with three chemical components: melamines, sulfonamides and aldehydes. These com-

ponents and their characteristics were discussed in some detail by Dr. David B. Hatcher, an expert witness called by Switzer.

Melamine and sulfonamide are basic resin ingredients. Aldehyde was described as "the linker, you might call it the glue, between the larger molecules" of melamine or sulfonamide. Where melamine alone is reacted with an aldehyde, the result is a "self-condensed" resin, the molecules of melamine condensing with each other through reaction with the aldehyde. Similarly, a sulfonamide-aldehyde resin is a self-condensation. "Co-condensation" occurs where two unlike molecules are reacted together.

Dr. Hatcher testified, "Normally, melamine is resistant to co-condensation. It has a tendency to condense with itself so that most efforts to co-condense it are unsuccessful. What results is not a single resin resulting from co-condensation * * * but a mixture of self-condensed resins." Further, melamine resins are normally thermoset with considerable strength and resistance to crumbling and breaking.

Sulfonamide resins, on the other hand, are normally thermoplastic and soluble in aromatic solvents.

The Kazenas patent is for a resin which is a co-condensation of all three of these chemical components and which is thermoplastic but still is capable of being finely ground and which remains insoluble without agglomeration in aromatic hydrocarbon solvents.[1]

---

[1]Radiant was found to have infringed Claims 1, 2, 3, 4 and 9 of the Kazenas patent. Claim 2 is typical. It provides:

"A completely condensed, thermoplastic resin consisting essentially of the condensation product of at least one aldehyde com-

Upon this appeal Radiant attacks the validity of the Kazenas patent upon five separate grounds.

The first issue is presented by Radiant's contention that the Kazenas patent is lacking in patentable novelty. The prior art upon which Radiant mainly relies is a Japanese patent, the Matsuo and Nitta Patent No. 181,405, issued in 1950. This patent, Radiant asserts, discloses a thermoplastic resin made by co-condensing formaldehyde, sulfonamide and melamine.

The district court carefully considered the Japanese patent and, apparently relying on the testimony of Dr. Hatcher with respect to his experiments upon this patent, concluded:

> "The Japanese resin, as described in the patent, thus has properties similar to those of the Kazenas resin in that it is thermoplastic and has a relatively high melting point, but it differs in at least one vital respect in that it is soluble in aromatic hydrocarbons, while the Kazenas resin is substantially insoluble."

The court then pointed out:

> "Both the Japanese resin and the Kazenas resin are composed of a sulfonamide, an aldehyde, and melamine, but in critically different proportions. The most

---

ponent entirely selected from the class consisting of formaldehyde and paraformaldehyde, at least one aromatic monosulfonamide having two reactive amide hydrogens, where the sulfonamide group is attached directly to the aromatic nucleus through the sulfur atom, and at least one melamine compound selected from the class consisting of melamine, alkyl melamines having no more than one alkyl substituted amido nitrogen, and monohydric alkanol modified methylol and alkyl methylol melamines, the amount of said melamine compound being an amount, not exceeding 50% by weight of the aromatic monosulfonamide, sufficient to render said condensation product substantially insoluble in aromatic hydrocarbon solvents but insufficient to render it thermosetting."

> significant difference is in the amount of melamine. The Japanese patent specified a 'small' amount of melamine which, in the single example set forth in the patent, is 5% by weight of the para-toluol-sulfamide employed. The Kazenas patent teaches the use of a substantial amount of melamine or melamine derivative ranging in amount from 11 to 50% by weight of the sulfonamide. Kazenas also teaches the use of a greater amount of aldehyde in relation to the sulfonamide."

Radiant contends that a mere varying in proportions cannot constitute novelty and invention and that this is all that the Kazenas patent adds to the Japanese patent.

The general rule as stated in Smith vs. Nichols, 1874, 21 Wall. (88 U.S) 112, 119, is:

> "* * * a mere carrying forward of new or more extended application of the original thought, a change only in form, proportions, or degree, the substitution of equivalents, doing substantially the same thing in the same way by substantially the same means with better results, is not such invention as will sustain a patent."

In Greene Process Metal Company vs. Washington Iron Works, 9 Cir., 1936, 84 F.2d 892, 893, this court held unpatentable a discovery described as follows:

> "Greene's alleged discovery was that the desired result—removal of sulfur and other impurities from iron or steel—might be accomplished more effectively and more economically by increasing the percentage of silica in the slag used for that purpose. * * *"

The test would seem to be whether the varying of proportions brings about a mere improvement in the

already discovered result or, on the other hand, accomplishes a new and unexpected result. In Application of Aller, Court of Customs and Patent Appeals, 1955, 220 F.2d 454, 456, it is stated:

> "Normally, it is to be expected that a change in temperature, or in concentration, or in both, would be an unpatentable modification. Under some circumstances, however, changes such as these may impart patentability to a process if the particular ranges claimed produce a new and unexpected result which is different in kind and not merely in degree from the results of the prior art. * * * Such ranges are termed 'critical' ranges, and the applicant has the burden of proving such criticality. * * * However, even though applicant's modification results in great improvement and utility over the prior art, it may still not be patentable if the modification was within the capabilities of one skilled in the art. * * * More particularly, where the general conditions of a claim are disclosed in the prior art, it is not inventive to discover the optimum or workable ranges by routine experimentation. * * *"

With reference to Ra[illegible]nt's contention that the Kazenas patent lacked invention, the district court stated:

> "Plaintiffs urge that it did not constitute invention for Kazenas to vary the proportion of melamine and aldehyde to achieve substantial insolubility in aromatic hydrocarbons. But the Japanese patent itself does not even suggest the possibility that a greater proportion of melamine and aldehyde might produce a resin substantially insoluble in aromatic hydrocarbons. Indeed, it would discourage experimentation along these lines. Since the patent states that, except for greater waterproofness and a higher

melting point, the Japanese resin does not lose the characteristics of a conventional para-toluol-sulfamide resin, one could only conclude that the modification with melamine does not affect its solubility in aromatic hydrocarbons.

"It is possible that the mere fact that melamine-aldehyde resins were known to be insoluble in aromatic hydrocarbons might suggest to a skilled chemist that the modification of a sulfonamide-aldehyde resin with melamine might make the resin less soluble in aromatic hydrocarbons. But, it could not have been anticipated that sufficient melamine could be used to achieve substantial insolubility in aromatic hydrocarbons without simultaneously making the resin thermosetting."

The testimony of Dr. Hatcher provides clear support. Emphasizing the overpowering nature of melamine and its tendency to thermoset, he concluded that the Japanese patent would not have led the ordinary chemist to greater experimentation in increasing the proportions of melamine. He discussed the many classes of melamine and sulfonamide compounds. He pointed out that a chemist faced with this multitude of possible components and with the economics of industrial research would actually be discouraged from experimentation along these lines and would tend to accept the original discouraging premise that an increase in melamine would result in thermosetting.

The district court's conclusion upon this issue, with which we agree and which we here adopt, was as follows:

"The sum and substance of the teachings of the prior art, including the Japanese patent, was that the properties of melamine-aldehyde resin could be modi-

fied to some extent by adding a small amount of a sulfonamide, and that the properties of a sulfonamide-aldehyde resin could be modified by adding a small amount of melamine. These teachings were narrow ones. They did not constitute such important and substantial discoveries that the ordinarily capable chemist could carry on from that point and in normal course produce the Kazenas resin. The Kazenas patent discloses the new and broader concept that melamine and sulfonamide, each in a relatively substantial quantity, could be reacted together with an aldehyde to produce a distinct resin having some of the properties of a sulfonamide-aldehyde resin and some of the properties of a melamine-aldehyde resin, and other properties which are unique. The Kazenas resin represented a new arrangement of ingredients that produced a new, unexpected and useful result. The Court is satisfied that it was such an advance over the prior art as to constitute invention."

Radiant's second attack upon the validity of the patent is addressed to the fact that the limits of melamine are expressed in functional language. The claims provide (see footnote 1) that the amount of melamine shall be "an amount * * * sufficient to render said condensation product substantially insoluble in aromatic hydrocarbon solvents but insufficient to render it thermosetting."

Since the novelty for which Switzer contends is that this resin is both thermoplastic and insoluble, Radiant contends that this language violates the rule against the use of functional language at the precise point of novelty. Violation of this rule, Radiant contends, renders the patent invalid.

Many authorities are cited by Radiant in support of its position. As disclosed by these cases, the vice of a description in terms of function is that it may in either of two ways adversely affect the public interest: by broadening the claim beyond the scope of actual invention; or by rendering the description so vague that the actual scope of the patent is not made clearly apparent to those concerned.

General Electric Company vs. Wabash Company, 1937, 304 U.S. 364, dealt with a patent upon a light filament which attacked the problem encountered by prior art that such filaments had a tendency toward "sagging and offsetting" which reduced the life of the light bulb. The claim prescribed that the filaments should consist of grains "of such size and contour as to prevent substantial sagging and offsetting" during a commercially useful life for the bulb. The court stated at page 371:

> "The claim uses indeterminate adjectives which describe the function of the grains to the exclusion of any structural definition, and thus falls within the condemnation of the doctrine that a patentee may not broaden his product claims by describing the product in terms of function. Claim 25 vividly illustrates the vice of a description in terms of function. 'As a description of the invention it is insufficient and if allowed would extend the monopoly beyond the invention.'"

Further, the court stated at page 372:

> "The Circuit Court of Appeals below suggested that 'in view of the difficulty, if not impossibility, of describing adequately a number of microscopic and

> heterogeneous shapes of crystals, it may be that Pacz made the best disclosure possible, * * *.' But Congress requires, for the protection of the public, that the inventor set out a definite limitation of his patent; that condition must be satisfied before the monopoly is granted."

In our case Switzer, in justification of the functional language, points out that the alternative would have been to state the critical lower limits precisely. This was done in the examples set forth in the specification. Switzer points to the fact that of the considerable number of melamine compounds encompassed by the patent, each has a different critical limit. It asserts that this renders it wholly unreasonable to expect the claims to be specific in this respect or to expect any further specificity than that which appears in the examples given.

In the General Electric case, the effect of the functional language was to broaden the claim to include *all* grains of whatever size or shape so long as they would accomplish the desired result. In our case the critical area is not enlarged in such a fashion. The critical point remains the same for each melamine compound used. It simply is not specified. But whether specified or unspecified the scope of the claim is precisely that of the invention.

Nor can it be said that this failure to specify the critical limit precisely results in a fatal vagueness of description. The claim must be sufficiently clear to allow others to reproduce the result at the end of the monopoly period and to enable contemporary inventors to ascertain whether or not they are infringing.

Upon this point the district court concluded:

> "When the general description, the specific examples, and the claims are read together, the invention is so plainly defined that no one skilled in the art should have any difficulty in practicing it."

The record supports this statement. There is testimony to the effect that "sufficient melamine to render the resin substantially insoluble" is a simple, clear test for an ordinary chemist to perform and one which does not require extensive experimentation in order that the precise critical limits be ascertained in a particular case. Under such circumstances, the fact that some preliminary testing is required does not render the claim invalid for vagueness. Mineral Separation, Limited vs. Hyde, 1916, 242 U.S. 261.

We conclude that the fact that the limits of melamine are, in the claims, stated in functional language does not render the patent invalid.

Radiant's third attack upon the validity of the patent is addressed to the sufficiency of the description contained in the specification. Radiant contends that it does not meet the requirements of 35 U.S.C. § 112 that there be "a written description" which must be in "full, clear, concise and exact terms" directed to "any person skilled in the art."

Radiant first asserts that the specification, as distinguished from the claims, does not describe the insolubility of the product. In our view, the specification when read as a whole does sufficiently describe this feature.

Radiant contends that the record establishes that one skilled in the art could not reproduce the product from

the description. It appears that the district court discounted the testimony upon which Radiant relies and favored the contrary testimony of Dr. Hatcher.

Radiant protests that Dr. Hatcher was not an ordinary chemist but an expert and that his ability to reproduce was not the proper test.

The ability of "any person skilled in the art" to reproduce the product was a question for the trier of fact. It was for the district court to determine whether the steps followed by Dr. Hatcher were of a type which required an expert as distinguished from an ordinary industrial chemist. We cannot say that the court's findings in this area were clearly erroneous.

We conclude that Radiant's contentions in this respect are without merit.

Radiant next contends that the Kazenas claims, as Switzer here asserts them, are invalid because they were not, in their present form, included in the original application. The feature to which this contention is specifically addressed is the resin's insolubility in aromatic solvents.

The original application was filed January 26, 1954. The claims did not then provide that the amount of melamine was required to be sufficient to render the resin substantially insoluble in aromatic hydrocarbon solvents. Early in 1954 Switzer adopted the Kazenas resin commercially. In 1956 Switzer learned that two competitors planned to introduce competitive products and, informing the Patent Office of this fact, sought to expedite issuance of patent. Following interviews in the Patent Office, the amended claims upon which the patent ultimately was

issued were presented May 2, 1957. They were unaccompanied by the oath of Kazenas and, Radiant contends, were presented after the public use period had expired and intervening rights of the public had accrued. Radiant contends that under these circumstances the feature of insolubility cannot be relied upon to impart novelty.

The defense of intervening rights for which Radiant contends has developed in cases dealing with reissue and divisional patents. It is apparently aimed at protecting the public against enlargement of the original claim to encompass discoveries by others and also at achieving an equitable balance between the right of the inventor to an adequate claim of that which he has invented and the public right to reliance upon the inventor's apparent disclaimer of such invention as is not claimed.

In the area of amendment prior to patent issuance a further consideration is the public interest in an adequate disclosure by the patentee of that which is sold to the public. In Muncie Gear Company vs. Outboard Company, 1942, 315 U.S. 759, 768, it was held, "The claims in question are invalid if there was public use, or sale, of the device which they are claimed to cover, more than two years before the first disclosure thereof to the Patent Office." In Wire Tie Machine Company vs. Pacific Box Corporation, Ltd., 9 Cir., 1939, 102 F.2d 543, this court held the rule inapplicable in a case where the amendment complained of added narrower claims and not new matter and further held that such amendment needed no supplemental oath.

Here the feature of insolubility was disclosed in the specifications of the original application, although its bear-

ing upon the critical limit in the amount of melamine was not expressed. We are not then faced with a claim of new matter nor with an attempt to rectify an inadequate disclosure or to appropriate subsequent developments or discoveries. The amendment actually amounted to no more than a narrowing of the claims to articulate a limitation implicit in the specifications but not explicit in the claims themselves. The circumstances under which the amendment was filed would indicate that it resulted from the ordinary give and take of Patent Office procedures: the shaping of the expression of that which was sought in order to make it conform appropriately to that which it was felt could properly be granted.

We conclude under these circumstances that no intervening public rights can be said to have attached to the insolubility feature of the Kazenas patent or to the matters incorporated in the claims by amendment; that no supplemental oath was required.

Finally Radiant contends that the specification of the patent is inadequate to support a claim for a broad class of melamine derivatives. It is asserted that "there is no recipe given for the proportions of the entire class of melamine compounds by which one could be certain to obtain the critical result." It is pointed out that all that Kazenas did was to give recipes for two members of the class. Radiant concludes that Kazenas thus "asked the art to experiment with other members of the class to obtain the result which he desires." Stating its proposition in somewhat different language, Radiant contends that the patent must disclose that all members of the broad melamine class are effective to produce the alleged novel result.

The cases cited by Radiant have their root in The Incandescent Lamp Patent, 1895, 159 U.S. 465, where at page 472 the court stated:

> "Is the complainant entitled to a monopoly of all fibrous and textile materials for incandescent conductors? If the patentees had discovered in fibrous and textile substances a quality common to them all, or to them generally, as distinguishing them from other materials, such as minerals, etc., and such quality or characteristic adapted them peculiarly to incandescent conductors, such claim might not be too broad. If, for instance, minerals or porcelains had always been used for a particular purpose, and a person should take out a patent for a similar article of wood, and woods generally were adapted to that purpose, the claim might not be too broad, though defendant used wood of a different kind from that of the patentee. But if woods generally were not adapted to the purpose, and yet the patentee had discovered a wood possessing certain qualities, which gave it a peculiar fitness for such purpose, it would not constitute an infringement for another to discover and use a different kind of wood, which was found to contain similar or superior qualities. The present case is an apt illustration of this principle. Sawyer and Man supposed they had discovered in carbonized paper the best material for an incandescent conductor. Instead of confining themselves to carbonized paper, as they might properly have done, and in fact did in their third claim, they made a broad claim for every fibrous or textile material, when in fact an examination of over six thousand vegetable growths showed that none of them possessed the peculiar qualities that fitted them for that purpose. Was everybody then precluded by this broad claim from making further investigation? We think not."

In the instant case there is nothing in the record to suggest that the qualities discovered by Kazenas were not common to melamine and to such of its derivatives as were specified in the claims, the only difference being in the critical limit in the amount of the component used. As we have already pointed out, there is evidence that the ascertainment of these specific limits in any particular case did not require extensive or undue experimentation. With respect to Radiant's contention that Switzer must establish the effectiveness of each member of the broad class, the district court stated:

> "Plaintiffs have cited no authority and the court is aware of none that places such a burden on the defender of a patent."

We agree.

In our judgment this contention is without merit.

We conclude that in all aspects challenged by Radiant, the Kazenas patent is valid.

Radiant next contends that it has not infringed the Kazenas patent. In this respect it looks not to the claims (which we have already held to be valid) but to the examples set forth in the specifications. It asserts that it uses more melamine (27.6% or 36.9%) than was used in the examples (13%); that it uses too little formaldehyde; that its process is different from that shown in the examples.

The amounts of melamine used by Radiant are well within the upper limit (50%) set by the claims. While the claims do not specify the amount of aldehyde, it is clear that it is such an amount as will permit complete co-condensation.

Radiant asserts that its proportions are closer to those of the Japanese patent than to those of the Kazenas patent and that it should accordingly be regarded as protected by prior art. Radiant concedes, however, that the Japanese patent is not adequate to meet its needs. What it requires is that which the Kazenas resin provides: completeness of co-condensation and insolubility in aromatic solvents.

In our judgment then, the district court was not in error in concluding that Radiant's resins infringed the Kazenas patent.

In several respects in post-trial proceedings (the settlement of findings, motions for new trial and to vacate judgment) Radiant attempted to introduce new matters of evidence. It offered proof of other patents to establish lack of invention. It offered testimony of Kazenas in another unrelated proceeding assertedly inconsistent with Switzer's position in the instant case. It offered testimony relating to post-decision tests run by it. It invited a second look at physical evidence which had been offered at trial to demonstrate the free flowing and insoluble character of the Kazenas resin, asserting that such second look would demonstrate that since trial the resin had agglomerated.

All of this evidence was rejected by the district court for failure of Radiant to show diligence or justification for its failure to discover and present these matters at the time of trial. Radiant assigns error in this respect but we find no abuse of discretion in this ruling. The time for testing of proof is the time of trial. Our judicial system does not contemplate that the rights of litigants shall be held in abeyance for months or years in order that hindsight may provide a more accurate appraisal of evidence.

Radiant protests that the post-trial change in physical evidence should not be subject to the requirement of diligence. If the fact was that the resin would agglomerate and would not remain free flowing, Radiant could have established this by its own pre-trial experiments and have introduced evidence with respect to those experiments at the proper time. Post-trial experimenting with the evidence produced at trial is no substitute for the proper and orderly presentation of proof. Furthermore, there is no evidence as to the conditions to which this exhibit had been subjected following trial and thus a proper foundation was not laid for the admissibility of this offered proof.

Radiant protests that a showing of diligence is not necessary where the proof offered shows a lack of clean hands on the part of the patentee; that it had offered proof of deception practiced by Kazenas and Switzer both on the Patent Office and on the district court. It contends that in the public interest, where the question of deception or unclean hands is at issue, the question can be raised at any time. Hazel-Atlas Glass Company vs. Hartford-Empire Company, 1944, 322 U.S. 238, is cited where the court at page 246 states:

> "This matter does not concern only private parties. There are issues of great moment to the public in a patent suit. * * * Furthermore, tampering with the administration of justice in the manner indisputably shown here involves far more than an injury to a single litigant. It is a wrong against the institutions set up to protect and safeguard the public, institutions in which fraud cannot complacently be tolerated consistently with the good order of society. Surely it cannot be that preservation of the integrity of the

> judicial process must always wait upon the diligence of litigants. The public welfare demands that the agencies of public justice be not so impotent that they must always be mute and helpless victims of deception and fraud."

However, it should be obvious that every disgruntled litigant cannot, in the name of public welfare, secure a new trial simply by charging fraud. In Hazel-Atlas the Supreme Court recognized this, stating at page 248:

> "The petition must contain the necessary averments, supported by affidavits or other acceptable evidence; and the * * * court may in the exercise of a proper discretion reject the petition * * *."

In Hazel-Atlas the proof of fraud was clear. Not so in the instant case. Here the district court, after listening at great length to the contentions of Radiant's counsel respecting its proof of deception, stated:

> "* * * I don't see any aspect of fraud or misrepresentation or chicanery involved in the application for the patent in this case * * *."

and later:

> "I abhor fraud and misrepresentation and I never have any hesitancy in turning aside any decision or in granting relief in cases of that kind. But I don't discern in this case anything of that sort."

We have examined the matters charged by Radiant and the offered proofs and concur in the views of the district court. It was not then an abuse of discretion for the district court (bearing in mind both lack of diligence and the showing made with respect to fraud and the public welfare) to deny a new trial upon the ground of unclean

hands or to refuse to delay judgment in order that hearing might be had on the newly tendered issues.

Affirmed.

(Endorsed) Opinion Filed Nov. 16, 1961.

Frank H. Schmid, Clerk.

Appendix "F"

In the United States District Court
for the Northern District of Illinois
Eastern Division

Harry P. Locklin and Elmer J. Brant, general partners doing business under the firm name of Radiant Color Company, Plaintiffs, vs. Switzer Brothers, Inc., Defendant.	Civil Action No. 62 C 1708

COMPLAINT

1. Jurisdiction of this complaint is based upon U. S. Code, Title 15, Sections 15 and 26 and upon U. S. Code, Title 28, Section 1337, all as hereinafter more fully appears.

2. Jurisdiction of this complaint is also based upon U. S. Code, Title 28, Section 1332(a), as hereinafter more fully appears.

3. Plaintiffs, Harry P. Locklin and Elmer J. Brant, general partners doing business under the firm name of Radiant Color Company, are both citizens of the State of California.

4. Defendant Switzer Brothers, Inc., is a corporation duly organized and incorporated under the laws of the State of Ohio and having its principal place of business in Cleveland, Ohio.

5. The matter in controversy exceeds, exclusive of interest and costs, the sum of $10,000.

6. Plaintiffs incorporate by reference and ask this Court to take judicial notice of the findings of fact, conclusions of law and judgment entered in Civil Action No. 52 C 1198 and they plead such judgment as res judicata on the issues therein decided.

7. Following the filing of the amended counterclaim in Civil Action No. 52 C 1198, Switzer Brothers, Inc. (hereinafter referred to as Switzer) persisted in its attempt to monopolize the trade or commerce of daylight fluorescent materials among the several States, all in furtherance of the dominant position which Switzer had acquired in the daylight fluorescent materials industry by virtue of the conduct hereinbefore adjudicated, and all as is more particularly pleaded below.

8. Switzer attempted to retain and to enlarge its dominant position in the industry (a) by filing and prosecuting numerous and diverse applications for United States Letters Patent covering various permutations of daylight fluorescent materials and related products and processes, (b) by maintaining a careful watch on the technical developments of its competitors and others, and (c) by prosecuting said applications so as to dominate and to obtain a seeming of patent monopoly over, the daylight fluorescent materials being developed and produced by its competitors.

9. In pursuit of this attempt to monopolize, Switzer examined its competitors' products, including those of Radiant, from time to time, and in September, 1956, Switzer learned that Radiant and another competitor of

Switzer were employing in their daylight fluorescent materials certain thermoplastic melamine-sulfonamide-formaldehyde resins.

10. During the period from September, 1956 until April, 1957, Switzer caused analyses to be made of the aforesaid products of Radiant and said other competitor and observed that a vital feature of said resins was that they were substantially insoluble in aromatic hydrocarbon solvents. Substantially insoluble means that the resinous material is capable of being finely ground and that it remains insoluble without agglomeration in aromatic hydrocarbon solvents. Such resinous materials are hereinafter referred to as MSF resins.

11. At the time that Switzer completed such analyses, it had under prosecution a certain Zenon Kazenas application, Serial No. 406,331 for Thermoplastic Resin which theretofore had been filed on January 26, 1954. This application did not then cover the MSF resin and it was under rejection, but it was apparent to Switzer that the claims of this application might possibly be amended to cover and to bar Radiant and said other competitor from competing in the manufacture and sale of daylight fluorescent materials using the MSF resin.

12. On April 11, 1957, Switzer, with its personnel and counsel personally participating, arranged an interview at the Patent Office in which Switzer persuaded the Patent Office informally to grant patent claims which would cover and dominate the MSF resin.

13. Agreeable to that informal understanding, Switzer on May 2, 1957 filed an amendment presenting new claims

in its Kazenas application so as to cover and dominate the MSF resin. In support of this amendment, Switzer represented to the Patent Office that one of the features of the resinous materials disclosed in that application was that the amount of melamine was sufficient to produce a resinous material which was substantially insoluble in aromatic hydrocarbon solvents.

14. Immediately following the filing of said amendment, Switzer learned that the Patent Office was not satisfied that the search previously made in the case had been sufficiently complete and thorough and that accordingly there was a possibility that such claims covering the MSF resin would not be allowed after all.

15. Switzer thereupon pressured the Patent Office to give special action to its Kazenas application, as amended, and in order to induce such special action, Switzer called certain prior art to the attention of the Examiner and it affirmatively represented that it had caused a careful examination to be made of the prior art, that with this search "all pertinent prior art" was before the Examiner, and that the claims covering MSF were patentable over such prior art.

16. Following the representations pleaded in paragraphs 13 and 15 above, the Commissioner of Patents on October 15, 1957 issued United States Letters Patent 2,809,954 which gave Switzer a *prima facie* and seeming monopoly over the MSF resin.

17. The representations pleaded in paragraphs 13 and 15 above were false and Switzer knew them to be false at the time they were made in the particulars pleaded in paragraphs 18 and 19 below.

18. A large chemical company, at least as early as November 6, 1953 and more than two months prior to the date upon which Switzer filed the Kazenas application, had offered to sell to Switzer an MSF resin. This prior art was more pertinent than any of the prior art which Switzer called to the attention of the Patent Office. The records of Switzer disclosed that any efforts on its part to carry the date of the alleged MSF invention back prior to the date of said offer for sale would be legally ineffective.

19. At the time that Switzer so amended its application, the records of Switzer disclosed that Kazenas had made no discovery, prior to the date of said offer to sell, that the class of resins disclosed in said Kazenas application and in the original claims was substantially insoluble in aromatic hydrocarbon solvents.

20. By virtue of the facts pleaded in paragraphs 18 and 19 above, Switzer had actual knowledge that the issuance of said Letters Patent was in violation of U. S. Code, Title 35, Sections 102(a) and (f).

21. By virtue of the non-disclosure by Switzer to the Patent Office of the facts pleaded in paragraphs 18 and 19 above, Switzer did know, but the Commissioner of Patents did not know, that the patent was illegal. Switzer thus knew that its acceptance of said Letters Patent was a fraud on the Patent Office and a fraud on the public for the reasons set forth above.

22. Promptly upon the issuance of said Letters Patent, Switzer exploited said patent in an attempt to monopolize the use of fluorescent materials in which the MSF resin was employed.

23. Switzer immediately included Kazenas Patent No. 2,809,954 on its label licenses heretofore adjudicated to be illegal.

24. Switzer immediately sent a letter to Radiant advising Radiant of the issuance of said Letters Patent and demanding that Radiant "immediately cease the manufacture, use and sale of any pigments which you are now or may be making, using or selling and which infringe this recently issued patent, unless satisfactory arrangements can be arrived at in the matter". Radiant thereupon discussed said letter with Switzer and was advised that if Radiant did not pay Switzer royalties under the patent, that Switzer would enforce the patent against Radiant.

25. Being thus faced with the alternative of having to pay tribute to Switzer or to cease manufacturing fluorescent materials using the MSF resin, Radiant chose to file, and on January 20, 1958, it did file an action for declaratory relief in the United States District Court for the Northern District of California, Southern Division, as Civil Action No. 36,995. This action is referred to as the San Francisco action.

26. Still attempting to further its monopoly on daylight fluorescent materials, Switzer on February 11, 1958 filed an action for infringement of said Kazenas patent against Lawter Chemicals, Inc. (hereinafter called Lawter) in this Court, said action bearing file No. 58-C 220. This action is hereinafter referred to as the Chicago action.

27. By virtue of a contractual arrangement between Switzer and Lawter, Switzer exchanged information re-

garding improvements in daylight fluorescent dyestuffs and daylight fluorescent pigments with Lawter, and by virtue of this exchange of information Lawter was generally familiar with the work of Switzer and with the knowledge accruing from such exchange of information, Lawter on March 12, 1958 took the deposition of Zenon Kazenas.

28. In the course of the aforesaid deposition, Zenon Kazenas admitted under oath that he had not made the experiments necessary to determine the minimum amount of melamine necessary to render the resin substantially insoluble in aromatic hydrocarbon solvents. Switzer had actual knowledge of this testimony at the time, and with this knowledge Switzer knew that Kazenas had not in fact invented the MSF resin.

29. With the guilty knowledge pleaded in paragraphs 17, 18, 19, 20, 21 and 28 above, Switzer nonetheless persisted in its attempt to maintain an unlawful monopoly over the use of MSF resins in daylight fluorescent materials, and on May 23, 1958 it filed a counterclaim in the San Francisco action charging Radiant with patent infringement.

30. Radiant still was without knowledge of the matters pleaded in paragraphs 17, 18, 19, 20, 21 and 28 above, and, presenting other defenses to the validity of the Kazenas patent, it brought a motion in the San Francisco action on July 14, 1958 asking for summary judgment that the Kazenas patent was invalid because of certain statutory defenses based on a Japanese patent issued in 1950 which although it was capable of being finely ground,

it was partially soluble in aromatic hydrocarbon solvents to such an extent that it did not remain insoluble without agglomeration in aromatic hydrocarbon solvents.

31. In opposition to said motion for summary judgment, Switzer caused to be prepared a spurious or counterfeit specimen of one of the examples of the Kazenas patent and falsely represented to the District Court that this example was made in accordance with the teachings of the Kazenas patent, and that it illustrated the critical difference between the resin of the Kazenas disclosure and the resin of the prior art Japanese disclosure. Finding the presence of a fact issue, the District Court denied the motion for summary judgment.

32. Radiant was unaware of the fact that this specimen was spurious or counterfeit at this time or any time prior to the discovery thereof in September and October, 1959 as set forth in paragraph 41 below.

33. After the denial of the motion for summary judgment, the San Francisco action went to trial during the month of January, 1959. At the trial, Switzer introduced in evidence and relied upon the spurious example of the alleged specimen of the resin of the Kazenas disclosure pleaded in paragraph 31 above. Also, at the trial, Switzer did not introduce any testimony of Zenon Kazenas, the alleged inventor of the MSF resin in support of the attempted monopoly.

34. During the course of briefing, Radiant, relying upon the rule of law that the failure to testify of a witness having knowledge of the facts and within the control of a party creates a presumption that the testi-

mony, if presented, would have been adverse to the party, called the special attenion of the District Court to the failure of Switzer to introduce any testimony of Zenon Kazenas.

35. In opposition to said presumption, Switzer affirmatively represented to the District Court that "There are no facts peculiarly within the knowledge of Kazenas that are pertinent to the issues" and reiterated that "There was nothing peculiarly within the knowledge of Kazenas and not disclosed in the patent that was necessary for the Court's determination of the issues."

36. The representations pleaded in paragraph 35 were false at the time that they were made and were known by Switzer to be false, at least, among others, in the particulars pointed out in paragraphs 17, 18, 19, 20, 21 and 28 above. At this time, Radiant did not know that these representations were false and nothing had occurred which would have aroused Radiant's suspicions that they were false.

37. At this time, in addition to the guilty knowledge pleaded above, Switzer knew that the Patent Office became aware of the relationship between the Japanese patent and the resinous materials disclosed in the Kazenas patent at least as early as August 11, 1958; that the administrative body had concluded that there was no patentable novelty in the insolubility feature; and that it was possible to describe the critical proportions of the ingredients mathematically. Switzer acquiesced in this administrative determination and on June 22, 1959, it amended a companion application in the United States Patent Office to recite critical limits mathematically.

38. Switzer did not disclose this adjudication and its action thereunder to the United States District Court thereby misleading it erroneously to rely upon mistake of fact to conclude that wholly mathematical expressions were not practically possible to define invention over the Japanese resin.

39. Radiant did not know of these facts until after Kazenas Patent No. 2,938,873 issued on May 31, 1960.

40. On September 4, 1959 the District Court in the San Francisco action handed down a written memorandum opinion in which it concluded that the Kazenas patent was valid and infringed and in which it relied upon the evidence introduced by Switzer that the resin of the patent could be suspended in aromatic hydrocarbons "without coalescence or agglomeration" and in which it found a "vital respect" of difference between the Kazenas resin and the Japanese resin in this regard.

41. Shortly after receiving notice of this adverse opinion, Radiant caused a confirmatory factual investigation to be made. During the course of this investigation, Radiant learned for the first time the fact that the example referred to in paragraph 32 above was spurious and the fact that Kazenas had never made the discovery attributable to him and forming the basis for the decision of the District Court. Prior to this time, Radiant had no reason to doubt the good faith conduct of Switzer in connection with the prosecution of the patent application and the San Francisco action.

42. Radiant promptly on October 19, 1959 filed a motion to dismiss the counterclaim on the ground of unclean hands and on October 22, 1959 filed a motion to set aside

the submission pending determination on the merits to dismiss the action.

43. In the interim on September 21, 1959, Radiant made known to Switzer its finding concerning the state of the record and was advised by Switzer on September 25, 1959 that Switzer would adhere to the position taken during the course of litigation.

44. Thereafter, Radiant served Switzer with notices of taking depositions of Zenon Kazenas and the secretary of Switzer with the intent of establishing the facts which it had learned as pleaded in paragraph 41 above. Switzer, objecting to make the facts known and with the manifest intent of concealing from the District Court the true facts concerning all of the matters pleaded above, opposed the taking of depositions, and on November 3, 1959 it successfully moved the District Court for an order quashing the taking of depositions.

45. Thereafter, on November 17, 1959, Radiant and Switzer appeared before the District Court in the San Francisco action on the entry of findings of fact, conclusions of law, and judgment.

46. Switzer chose not to make full disclosure to the District Court of the facts then at its disposal which were known to Switzer but which were not known to the District Court.

47. Relying upon its prior memorandum and the evidence upon which it was based, the District Court entered findings of fact, conclusions of law, and judgment, accordingly, sustaining the attempted monopoly of Switzer upon daylight fluorescent materials using the MSF resin.

48. Radiant promptly endeavored to open the erroneous judgment referred to in paragraph 47 on the basis of the facts then known to Radiant by filing a motion in said District Court for a new trial and for amendment of findings of fact, conclusions of law, and judgment. Said motion was denied on December 24, 1959.

49. Switzer thereupon exploited said judgment and said patent in trade publications throughout most of the United States with the intent of realizing the seeming monopoly of the patent.

50. Radiant immediately prosecuted an appeal from such adverse decision to the Court of Appeals for the Ninth Circuit.

51. During the prosecution of that appeal, Radiant learned for the first time that the MSF resin was actually invented by Thomas Anas and that it was disclosed in Letters Patent 2,852,489 which matured on September 16, 1958 and which was issued upon application Serial No. 403,643 filed January 12, 1954.

52. Radiant also then learned for the first time of the administrative ruling of the Patent Office and the conduct of Switzer in response to that administrative ruling as pleaded in paragraph 37 above, which knowledge became publicly disclosed for the first time on May 31, 1960 at which time Zenon Kazenas Letters Patent No. 2,938,873 issued upon application No. 741,213 filed June 11, 1958.

53. Radiant thereupon, after obtaining leave of the Court of Appeals, filed a motion in the District Court for relief from the judgment and in pursuance of said motion presented as newly discovered evidence the matters pleaded in paragraphs 37, 39, 51 and 52 above.

54. In opposition to said motion, Switzer filed an affidavit of Joseph L. Switzer falsely representing that certain early Kazenas resins were known to be substantially insoluble in aromatic hydrocarbon solvents. In reliance on this false affidavit, the District Court denied the motion for relief.

55. Radiant thereafter completed its appeal to the Court of Appeals both on the merits and on the unclean hands issues.

56. Switzer in response relied upon the record below, known by it to be tainted, and, in addition, made further false representations e.g. "that of the considerable number of melamine compounds encompassed by the patent, each has a different critical limit"; that the "critical point remains the same for each melamine compound used"; that it "does not require extensive experimentation in order that the precise critical limits be ascertained in a particular case"; and that said amendment presented May 2, 1957 "actually amounted to no more than a narrowing of the claims to articulate a limitation implicit in the specifications but not explicit in the claims themselves."

57. The Court of Appeals on November 16, 1961, handed down its decision reported in 299 F. 2d at page 160.

58. The foregoing conduct of Switzer was intended knowingly to maintain and to retain Switzer's attempted unlawful monopoly in daylight fluorescent materials and is a continuation of the course of conduct adjudicated in said Civil Action 52 C 1198.

59. The continued use by Switzer of the Kazenas patent and judgment is to the detriment of the general public for the reasons pointed out below in paragraphs 60 to 64, both inclusive.

60. Switzer has used the tainted judgment to obtain the withdrawal of a final rejection of the Patent Office upon a companion Zenon Kazenas application and this has resulted in the issuance to Switzer of a further monopoly in the daylight fluorescent materials by virtue of the issuance on May 31, 1960 of Letters of Patent No 2,938,873 which patent Switzer today represents as being a valid subsisting patent.

61. The melamine, sulfonamide, formaldehyde ingredients used by Switzer and Radiant in their production of MSF resinous materials are in interstate commerce and are produced by third persons who are not parties to either this litigation or the San Francisco action. The issuance of injunctive relief under the San Francisco judgment will adversely affect the interstate commerce of these third persons.

62. The daylight fluorescent materials produced by Switzer and Radiant utilizing MSF resins are in popular demand with large segments of the American public who are not parties to this litigation or the San Francisco action. The enjoyment of injunctive relief by Switzer under the San Francisco judgment has adversely affected and will adversely affect interstate commerce in such unpatentable materials to such members of the public.

63. The claims of the Kazenas patent found to be valid and infringed encompass large classes of materials far beyond the MSF resins produced by Radiant and

Switzer and the seeming of a valid monopoly will tend to deter further experimentation and progress in the art.

64. Switzer is misusing the monopoly of the patent by asserting that it covers not only the MSF resinous material of the patent, but also pigments, coating materials, and coated paper which are not included within any of the claims of said patent but which employ the MSF resin.

65. The conduct of Switzer herein pleaded has directly damaged Radiant in the respects pleaded in paragraphs 66 to 72 below.

66. Radiant has been required and it still is being required to furnish its customers with contracts of indemnity and hold harmless agreements protecting such customers against threats of patent infringement action all at great expense and inconvenience to Radiant just as the adjudicated conduct has caused Radiant to do.

67. Radiant has lost, and is still losing, sales in fluorescent material and its profits have been, and are being, lessened, all to the detriment of Radiant and in furtherance of the damages hereinbefore pleaded and left open for accounting.

68. The normal growth of the business of Radiant in fluorescent materials has been, and is being, forestalled all to the great damage of Radiant and directly related to the item left open for determination on the adjudicated accounting.

69. Commencing on May 23, 1958 and to the present time, Radiant has been, and is being, subjected to the unwarranted expense of defending Switzer's unwarranted claim for patent infringement.

70. By virtue of Switzer's use of the judgment, Radiant has been served with a permanent injunction enjoining it from making the MSF resin.

71. By virtue of the adjudication, Radiant's financial reputation in the daylight fluorescent industry has been irreparably damaged.

72. By virtue of the adjudication, Switzer is attempting to subject Radiant to an unwarranted accounting in the San Francisco action for damages arising not only from the MSF resin *per se*, but also arising from Radiant's entire profits on unpatented paints, coated papers, pigments, and the like which merely use MSF resin as one of several ingredients.

73. Radiant is not presently advised as to the dollar value of the damages enumerated above and said damages are continuing, and will continue, to accrue from day to day during the pendency of this litigation and are clearly related to and intertwined with the damages already adjudicated herein, thereby making the accounting heretofore adjudicated herein the only appropriate procedure for ascertaining the dollar extent of such damages.

74. Unless injunctive relief is granted in this action, Radiant will sustain further and additional damages by virtue of the aforesaid continuing violation of the antitrust laws.

75. Radiant has exhausted its legal remedies to have the conduct of Switzer adjudicated on the merits in the San Francisco action, and the only relief available to it is relief in an independent action.

Wherefore, Radiant Color Company demands judgment against Switzer Brothers, Inc. as follows:

(a) For a preliminary and final injunction enjoining Switzer Brothers Inc. from representing to the trade that said Kazenas patent No. 2,809,954 is valid and infringed and from in any way enforcing the judgment which Switzer Brothers, Inc. has obtained against Radiant Color Company.

(b) That the conduct of which complaint is made herein be referred to a special master to ascertain, take, state, and report on account of the damages suffered, and costs expended by Radiant Color Company on the conduct herein pleaded, as well as the amount of reasonable attorneys' fees;

(c) That Radiant Color Company have judgment for threefold the amount allowable to Radiant Color Company by reason of its damages sustained, as well as its costs and costs on accounting;

(d) That, if the conduct complained of be deemed not compensable under the anti-trust laws, that Radiant have judgment for its single damages;

(e) That Radiant Color Company have judgment for the profits made by Switzer in consequence of its misconduct pleaded herein; and

(f) That Radiant Color Company have such other and further relief as to this Court shall seem meet and just.

Carl Hoppe
William J. Marshall, Jr.
Attorneys for Radiant Color Company

Office-Supreme Court, U.S.
FILED
NOV 12 1964
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1964.

No. 581

HARRY P. LOCKLIN AND ELMER J. BRANT, GENERAL PARTNERS DOING BUSINESS UNDER THE FIRM NAME OF RADIANT COLOR COMPANY,

Petitioners,

vs.

SWITZER BROTHERS, INC., ROBERT C. SWITZER AND JOSEPH L. SWITZER,

Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

BENJAMIN H. SHERMAN,
ANTHONY R. CHIARA,
53 West Jackson Boulevard,
Chicago 4, Illinois,
Attorneys for Respondents.

HILL, SHERMAN, MERONI, GROSS & SIMPSON,
53 West Jackson Boulevard,
Chicago 4, Illinois,
Of Counsel for Respondents.

THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

TABLE OF CONTENTS.

	PAGE
Counter-Statement of Questions Presented for Review	1
Counter-Statement of the Case	2
Argument	8
Conclusion	16

TABLE OF AUTHORITIES.

Bros, Inc. v. W. E. Grace Mfg. Co., 320 F. 2d 594, 607. 9

Fiske v. Buder, 125 F. 2d 841 (8th Cir. 1942) 11

Hazel-Atlas v. Hartford-Empire Co., 332 U. S. 271 (1944) 11

Heiser v. Woodruff (1946), 327 U. S. 726, 735..3, 8, 11, 14

Mercoid Corporation v. Mid-Continent Co. (1944), 320 U. S. 661 15

Phillipine National Bank v. Kennedy, 295 F. 2d 544-545 (D. C. Cir. 1961) 12

Precision Co. v. Automotive Co. (1945), 324 U. S. 806. 13

Shawkee Mfg. Co. v. Hartford Co. (1944), 322 U. S. 271 .....11, 14

Texts.

7 Moore, Federal Practice § 60.10 [5]-[9] (2d ed. 1955) 11

Rules.

Federal Rules of Civil Procedure Rule 60(b)..... 2

IN THE

Supreme Court of the United States

OCTOBER TERM, 1964.

No. 581.

HARRY P. LOCKLIN AND ELMER J. BRANT, GENERAL PARTNERS DOING BUSINESS UNDER THE FIRM NAME OF RADIANT COLOR COMPANY,

Petitioners,

vs.

SWITZER BROTHERS, INC., ROBERT C. SWITZER AND JOSEPH L. SWITZER,

Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

COUNTER-STATEMENT OF QUESTIONS PRESENTED FOR REVIEW.

1. After a District Court's judgment has been affirmed on appeal and certiorari denied, can the losing party then nullify and enjoin the enforcement of the judgment entered on the mandate and retry and review the identical issues in another District Court? Petitioners, in such attempt to relitigate identical issues, seek by an unverified, un-

supported Complaint in the Illinois District Court to enjoin the enforcement of an injunction and judgment of patent validity and infringement, entered by the District Court of California, affirmed by the Court of Appeals of the Ninth Circuit and certiorari denied in a suit between the same parties, while the accounting proceeding for damages is still in progress in the California District Court.

2. Does Rule 60 (b) of the Federal Rules of Civil Procedure create a right in a losing party to review a final judgment of a District Court, affirmed on appeal, and obtain relief from such judgment by unsupported allegations of misconduct thrice raised and determined to be without grounds by the original court? Is such an independent action barred by res judicata by the presentation of such issues to the original District Court, its findings that no grounds for such allegations of misconduct existed, and the affirmance of the District Court's action by the Court of Appeals? Did the repeated and unsuccessful attempts to make out even a prima facie case of misconduct, in the original courts, bar an independent, unsupported action based upon the same issues in another District Court?

3. Does *Heiser* v. *Woodruff* (1946), 327 U. S. 726, 735, properly construe and control the Federal Court practice under Rule 60 (b), free of what may be the California practice under the California rule?

COUNTER-STATEMENT OF THE CASE.

Petitioners (Radiant) sought in the Illinois District Court[1] by motion to file an unsupported, unverified Supplemental Counter-claim in 52 C 1198 and by an almost identical original unverified, unsupported Complaint in 62 C 1708 to enjoin respondents (Switzers) from enforcing an injunction and final judgment of patent validity and

1. Hereafter indicated as Ill. D. C.

infringement entered by the California District Court[2] and affirmed by the Court of Appeals of the Ninth Circuit,[3] certiorari denied. The Ill. D. C. dismissed the Motion in 52 C 1198 and dismissed the Complaint in 62 C 1708 on the grounds of res judicata. The Court of Appeals of the Seventh Circuit[4] affirmed the res judicata judgment and petitioners now seek a Writ of Certiorari to the C. A. 7.

In the California case, the District Court, after full trial, found the Kazenas patent No. 2,809,954, owned by respondents to be valid and infringed by petitioners (Memorandum of Court, September 4, 1959; R. App. 54-66).

Thereafter, petitioners ("plaintiffs" in Cal. D. C.) made numerous motions in unsuccessful attempts to reopen the California case, all involving alleged unclean hands or fraud. These motions are identified and summarized as follows:

(1) Motion to Dismiss Counterclaim on the ground of unclean hands (R. App. 66-67).[5]

(2) Motion to Set Aside Submission (R. App. 99-100). Both Motions (1) and (2), after briefing and an oral hearing on the combined Motions, were ordered off calendar (R. App. 100).

(3) Motion for New Trial and for Amendment of Findings of Fact, Conclusions of Law and Judgment (R. App. 118-123). This Motion was supported by opinion affidavits; both those previously filed (R. App. 69-99) in connection with Motions (1) and (2) and additional affidavits (R. App. 123-127), all having largely to do with Examples 2 and 5 of the Kazenas patent and with the post-trial

2. Hereafter indicated as Cal. D. C.

3. Hereafter indicated as C. A. 9.

4. Hereafter indicated as C. A. 7.

5. References to Appendix to Appellants' Opening Brief filed in the C. A. 7 and part of the record here shall be indicated as: R. App. .....

condition of the Kazenas patent Example 5 resin, Exhibit N. The motion, so it stated, was brought to determine whether respondents had "represented falsely to the Patent Office and to this Court" with respect to Exhibit N, with respect to inventorship by Kazenas of the MSF resin claimed in the patent in suit and with respect to the Kazenas resin being, as claimed, "substantially insoluble in aromatic hydrocarbon solvents". After consideration of affidavits, briefs and arguments (R. App. 122-157; R. D. App. 18-27)[6] and affidavit exhibits including Opposition to Motion Exhibit 10 (R. D. App. 27) the Court denied the Motion for New Trial (R. App. 157) (See also Gray affidavit, R. App. 26). The Cal. D. C. found no basis for the "fraud" charges[7] in anything submitted to it by this Motion.

(4) Motion to Remand (R. App. 157-161). The C. A. 9 denied this motion without prejudice to renew the motion at the hearing of the appeal on its merits (R. App. 169). The matters presented by the Motion to Remand were the same as were presented to the Cal. D. C. in Motions (1), (2) and (3) above (R. App. 158-160; and see Gray's affidavit, ¶ Q, R. App. 27-28).

(5) Motion to Relieve Plaintiffs from Judgment under Rule 60 (b) (R. App. 169-171). This motion was based upon allegedly newly-discovered evidence including a Monsanto-owned Anas Patent No. 2,852,489 and a Switzer-owned companion Kazenas application, that resulted in patent No. 2,938,873 and that claimed MSF pigments. Upon consideration of Affidavits (R. App. 171-216) filed by both parties, including the Switzer affidavit (R. App. 211-216),

---

6. References to the Appendix attached to Appellees' Brief in the C. A. 7 shall be indicated R. D. App. ...

7. These are the same fraud issues that were presented to the Ill. D. C. here in 52 C 1198 by Supplemental Counterclaim (R. App. 5) and in 62 C 1708 (R. App. 32).

briefs and arguments at the hearing on said motion (R. App. 216-219; R. D. App. 18), the Cal. D. C. denied the motion (R. App. 219-220), saying that in view of its conclusion that the evidence "which might be adduced upon new trial" would not alter the decision theretofore made, it was "unnecessary for the Court to pass upon the contention of the Defendant that the so-called newly-discovered evidence could have been more seasonably discovered by plaintiffs" (R. App. 220).

Petitioners appealed not only from the judgment (R. App. 116) but also from the denials of the Motion for New Trial (R. App. 118) and of the Motion to Relieve Plaintiffs from Judgment filed under Rule 60 (b) (R. App. 169). In its Statement of Points on Appeal (R. D. App. 32) and its Specification of Errors (R. D. App. 38), petitioners listed the alleged errors of the Cal. D. C. in failing to dismiss respondent's Counterclaim "because of defendant's unclean hands", in failing to take into cosideration the post-trial condition of Exhibit N, in denying petitioners' motion for new trial, in denying petitioners' motion to relieve petitioners from judgment, and in finding that the affidavits of respondents established reduction to practice by Kazenas ahead of Anas.

The Ninth Circuit Court of Appeals affirmed the judgment and rulings of the District Court in all respects (R. App. 249-266) notwithstanding petitioners' detailed and lengthy arguments in its Opening Brief on Appeal (R. D. App. 39-59) on all of these very same issues of alleged fraud and misrepresentations that petitioners here advance as justification for re-trying the California case in the Ill. D. C.

On May 2, 1962, a Writ of Perpetual Injunction was issued restraining and enjoining the petitioners from infringing claims 1 to 4 and 9 of patent No. 2,809,954, follow-

ing the same wording used in the Judgment (R. App. 116-118, ¶ 10).

With respect to the Illinois cases, both the proposed Supplemental Counterclaim (R. App. 5-19) and the Complaint (R. App. 32-47) are based upon the same allegations (R. D. App. 13). Both include a demand for an injunction enjoining respondents "from representing to the trade that said Kazenas patent No. 2,809,954 is valid and infringed and from in any way enforcing the judgment which Switzer Brothers, Inc. has obtained against Radiant Color Company" (SC ¶ 69 (a), R. App. 18 and C ¶ 75 (a), R. App. 46).

The Complaint in the Ill. D. C. in Civil Action 62 C 1708 (R. App. 32) was filed September 6, 1962 to stop the running of the Statute of Limitations as to alleged fraud (R. D. App. 7-9). Ultimately both the motion in 52 C 1198 and the complaint in 62 C 1708 were assigned to Judge Bernard M. Decker and Judge Decker was asked (R. D. App. 12-13) by counsel for respondents to rule on both "since the matters put in issue * * * are the same." Those matters are the alleged fraud and misrepresentations raised in the California case, set forth above. No antitrust violation is alleged in the proposed Supplemental Counterclaim or Complaint that is not based on the assumption that the Kazenas patent is unenforceable because of such alleged fraud and misrepresentations.

The entire record filed with the Court of Appeals of the Ninth Circuit, together with certain pleadings and briefs filed with the District Court and with the Court of Appeals in the California case (R. App. 47), was made available first to Judge Miner (R. App. 8) and then to Judge Decker. A hearing before the latter was had on May 24, 1963, at which counsel for petitioners said: "* * * now, if Your Honor rules there is *res judicata*, that is the end of our lawsuit anyway" (R. D. App. 36).

Petitioners' counsel made a similar but even more all-encompassing admission in his statement to the California District Court (R. D. App. 12):

> "* * * the courts there (meaning the courts of Illinois) can look at it [the record in the California courts] and say: You say all you are seeking to prove are things that are already litigated. If the court says that, it is going to say that you petitioners have no right to file your complaint or your supplemental counterclaim."

Judge Decker said in effect just that; he entered his Order (App. A) on August 23, 1963 denying and/or dismissing the Motion in 52 C 1198 and dismissing the Complaint in 62 C 1708 both "because of *res judicata*."

The Court of Appeals for the Seventh Circuit affirmed Judge Decker's judgment on July 24, 1964 (App. C) and concluded that the Ill. D. C. "did not err in deciding that the judgment of the California District Court, affirmed by the Ninth Circuit, is *res judicata* of the issues presented in these suits."

ARGUMENT.

Petitioners predicate their right to have this Court review the judgment below on their wholly specious assumption that mere allegations of misconduct on the part of respondents entitle petitioners to such review. Stripped of their wrappings, all of petitioners' assertions of fraud upon the Patent Office and upon the courts and of anti-trust violations on the part of respondents are nothing more than unsupported charges. All of these same charges* were fully presented to the Cal. D. C. and reviewed by the C. A. 9.

The Cal. D. C. saw no aspect of "fraud or chicanery" and thought that a new trial would merely result in the parties seeking to present "some additional experts to expound their views"; that, therefore, "it does not appear that the evidence which might be adduced on new trial would alter the decision heretofore made". (App. "B", pp. 6-7)

The C. A. 9 affirmed (App. "B", p. 7). And as the C. A. 7 correctly pointed out:

> "Once the California District Court decided there were no grounds for granting a new trial, there was no need for it to go further and decide upon the merits of the grounds urged. Since the Ninth Circuit of Appeals decided the district court did not abuse its discretion, that ended the matter. *Heiser* v. *Woodruff*, 327 U. S. 726, 736 (1945)".

That should have ended the matter. Radiant made "no further showing" in its unverified pleadings in the ac-

* Except the one that the Switzer affidavit was false, see App. "B", p. 7, fn. 5. Radiant did not even controvert that affidavit when presented to the California District Court.

tions before the Illinois courts and therefore "failed to meet substantive requirements which it must meet to seek relief from judgment" (App. "B", p. 10).

As the C. A. 9 so aptly characterized Radiant's post-trial efforts to obtain a new trial, App. "E", p. 35:

> "* * * it should be obvious that every disgruntled litigant cannot, in the name of public welfare, secure a new trial simply by charging fraud."

In bringing their actions below, petitioners sought to have the Illinois courts review and set aside the judgments of the California courts, and specifically prayed for an injunction against Switzer from representing that the patent there in suit was valid and infringed (although so held by the California courts) and "from in any way enforcing the judgment which Switzer Brothers, Inc. has obtained against Radiant Color Company" (App. "F", p. 53).

But, as the C. A. 7 held (App. "B", pp. 9-10):

> "* * * a 'foreign' federal court will not set aside a judgment in an independent equitable action, unless the judgment would be set aside on those same grounds by the 'home' federal court. *Bros, Inc.* v. *W. E. Grace Mfg. Co.*, 320 F. 2d 594, 607 (5th Cir. 1963). And here the California district court had already decided not to set aside the judgment on substantially most of the same issues as raised here."

From the foregoing alone, it is clearly evident that the judgments sought to be reviewed correctly applied the bar of *res judicata* against petitioners. Their petition for Writ of Certiorari should therefore be denied. If this Court agrees, that is the end of the matter.

All of the controlling questions presented and all of the arguments advanced in the Petition with respect thereto were fully answered and duly laid to rest by the C. A.

7. This will be apparent from the following quotations arranged in pairs with the question or point advanced by petitioners quoted first, followed by the applicable ruling of the C. A. 7 quoted from App. "B":

Petition, p. 2:

> "Relief is sought under the antitrust laws for injuries arising out of an attempt to monopolize by alleged misconduct which includes (a) the use of alleged misrepresentations before the Patent Office to obtain a patent, and (b) the use of alleged spurious physical evidence, misrepresentations, false testimony and false affidavits in an infringement action brought to secure a favorable adjudication enforcing that patent monopoly. Is a claim for that relief barred by res judicata arising out of orders, made in the exercise of judicial discretion, which denied motions made in such infringement action after trial seeking to prove up such alleged misconduct?"

C. A. 7, App. "B", pp. 11-12:

> "Radiant presented its charges three times before the California district court (the settlement of findings, motions for new trial and to vacate judgment) and again before the Ninth Circuit Court of Appeals. It was denied relief, on the same grounds it presents here.
>
> We conclude that the district court did not err in deciding that the judgment of the California district court, affirmed by the Ninth Circuit, is res judicata of the issues presented in these suits."

Petition, p. 2:

> "An independent action preserved under Rule 60(b) of the Federal Rules of Civil Procedure is brought for relief from the judgment obtained by such alleged misconduct. Is that independent action barred by res judicata arising out of such orders?"

C. A. 7, App. "B", pp. 7-8:

> "We think Rule 60(b), under the circumstances be-

fore us, provides for alternative, and not cumulative, methods of relief, and we do not think the rule should be construed to preclude, as Radiant argues, the bar of res judicata. *Heiser* v. *Woodruff*, 327 U. S. 726, 733 (1945)."

Petition, p. 3:

"Does *Heiser* v. *Woodruff* (1946), 327 U. S. 726 compel a federal court to construe Rule 60(b) contra the California rule after which Rule 60(b) was patterned?"

C. A. 7, App. "B", pp. 8-9:

"We need not—because Rule 60(b), as adopted in 1938, was patterned after a California rule—construe, as California courts have done, a denial of post-trial motions as not res judicata of a later independent action to set aside judgment on the same grounds. Although California decisions may guide us as to the scope of relief under Rule 60(b), *Fiske* v. *Buder*, 125 F. 2d 841 (8th Cir. 1942), 7 Moore, Federal Practice, § 60.10 [5]-[9] (2d ed. 1955), we are compelled by *Heiser* v. *Woodruff*, 327 U. S. 726 (1945), not to extend the California construction of the rule to the question of whether a ruling on a motion is res judicata of a later independent equitable action."

Petition, p. 5:

"In determining, that when the California District Court decided there were no grounds shown for granting a new trial, 'that ended the matter', the Court of Appeals below rendered a decision in conflict with *Shawkee Mfg. Co.* v. *Hartford Co.* (1944), 322 U. S. 271."

C. A. 7, App. "B", p. 8:

"Neither *Hazel-Atlas Co.* v. *Hartford-Empire Co.*, 322 U. S. 238 (1944), nor *Shawkee Mfg. Co.* v. *Hartford-Empire Co.*, 332 U. S. 271 (1944), has relevance to the situation before us. The question of res judicata was not at issue in either case, and the uncontradicted

facts of fraud differentiate both cases from that before us. And we do not think that footnote 5[7] of the Hazel-Atlas opinion compels our decision that in the circumstances of this case the California court was required to hear evidence in order to render res judicata denial of the motions."

Petition, p. 9:

"It is clear upon the face of the opinion of the Court of Appeals for the Ninth Circuit that the orders which were rendered in the prior case were not based upon the merits of any fraud determination but were based on nonabuse of discretion (App. E., pp. 33-36)."

C. A. 7, App. "B", p. 10:

"The ruling by the California district court was within the court's discretion and the court gave these reasons for exercising its discretionary ruling: accepting as true the charges with respect to the Patent Office, no 'aspect of fraud' was shown, and no excuse for lack of diligence; and with respect to fraud on the court, the substance of the 'newly discovered evidence' could have been discovered and used at the trial. Radiant, making no further showing in the actions before us, failed to meet the substantive requirements which it must meet to seek relief from judgment. Failed for the same reasons that the court said movant did in *Phillipine National Bank* v. *Kennedy*, 295 F. 2d 544, 545 (D. C. Cir. 1961): 'the judge who tried the case, and who was fully familiar with the evidence formerly offered, decided that plaintiff-appellant was not entitled to relief,' 295 F. 2d at 545."

Petition, p. 10.

"The judgment sought to be enjoined adversely affects the public interest. Switzer has used the tainted judgment to further its already adjudicated attempt to monopolize the daylight fluorescent materials field.

(App. F. p. 49).* The raw ingredients formerly used by Radiant and now used by Switzer in producing the patented materials are in interstate commerce and are made by third persons who are not even parties to the litigation (App. F, p. 50). The patented materials are in popular demand with large segments of the American public who are not even parties to the litigation (App. F, p. 50). The patented claims encompass larger classes of materials than those used in the resin produced by the parties and thus the seeming of a valid monopoly will tend to deter further experimentation and progress in the art (App. F, pp. 50-51). The Kazenas patent issued on October 15, 1957 (App. B, p. 5). Thus, the 17 year monopoly of the patent will remain in force for another 10 years."

C. A. 7, App. "B", p. 7:

"The Ninth Circuit Court of Appeals affirmed: the district court did not abuse its discretion 'bearing in mind both lack of diligence and the showing made with respect to fraud and the public welfare' in denying 'a new trial on the ground of unclean hands or to refuse to delay judgment in order that a hearing might be had on the newly tendered issues.' 299 F. 2d at 170. These are the issues which Radiant claims were not passed on in the California courts. There is no merit in the claim."

Petition, pp. 10-11:

"The public interest demands that Radiant be given an opportunity to rout out and to prove the allegedly fraudulent conduct of Switzer on the Patent Office, on the District Court and on the Court of Appeals. *Precision Co.* v. *Automotive Co.* (1945), 324 U. S. 806, at page 818, made an especial reference to the 'uncompromising duty' of all parties to Patent Office proceedings 'to report to it all facts concerning possible fraud or inequitableness underlying the applica-

* All references to "App. F" are to unverified allegations made by petitioners in the Ill. D. C.,—not to established facts, nor even to anything of record in the California case.

tions in issue.' *Shawkee Mfg. Co.* v. *Hartford Co.* (1944), 322 U. S. 271, at page 273, made an especial reference to the requirement that a patent owner 'should make a full disclosure of its fraudulent conspiracy' when a charge of fraud is made on the record."

C. A. 7, App. "B", p. 7:

"There is no merit either in Radiant's contention that neither California court passed on the truth of the grounds urged for a new trial. Once the California district court decided there were no grounds shown for granting a new trial, there was no need for it to go further and decide upon the merits of the grounds urged. Since the Ninth Circuit Court of Appeals decided the district court did not abuse its discretion, that ended the matter. *Heiser* v. *Woodruff*, 327 U. S. 726, 736 (1945)."

Petition, p. 12:

"*Heiser* v. *Woodruff* (1946), 327 U. S. 726, upon which the Court of Appeals based its decision (App. B, pp. 7-9), does not announce any rule in conflict with the authorities upon which Radiant here relies or upon which it did rely in the courts below."

C. A. 7, App. "B", p. 8:

"The *Heiser* case is close to the situation before us. There the Supreme Court reversed a judgment of the Tenth Circuit and held that a previous adjudication, that the judgment against a bankrupt was not procured by fraud, may not be disregarded, even though in the previous litigation the allegations of fraud were not supported by tender of evidence or other proof. 327 U. S. at 736."

The decision below does not conflict with *Mercoid Corporation* v. *Mid-Continent Co.* (1944), 320 U. S. 661. There, Mercoid was not a party to the earlier suit although it provided the defense and none of the misuse defense or

antitrust issues was ever pleaded, controverted or brought into issue in the earlier suit against a customer of Mercoid. Accordingly the court found that such facts were not *res judicata* in the later suit against Mercoid. In the instant case, the issues and facts upon which petitioners attempted to base the later suit were repeatedly raised, controverted and brought to issue in the California courts and determined to be without sufficient grounds to make even a prima facie showing.

Petitioners failed to submit any new or additional proof or grounds to the Illinois District Court.

Furthermore, in the *Mercoid* case, the patent owner was attempting to extend the scope of his patent monopoly to the sale of unpatented stoker switches. Here, respondents (Switzers) seek nothing more than the lawful patent scope adjudicated by the Cal. D. C. and C. A. 9, and petitioners (Radiant) by their suit in the Ill. D. C. are attempting to perpetuate and enhance their continued contemptuous violation of the California injunction.*

The C. A. 7 was correct in affirming the Ill. D. C.'s judgment that the Cal. D. C. judgment is *res judicata* of the issues presented in the suits.

---

* See Cal. D. C. decision of March 31, 1964 finding petitioners guilty of contempt in C. A. 36995, now on appeal to C. A. 9, Docket No. 19467.

CONCLUSION.

The Lower Court's decision should not be disturbed and the Petition should be denied.

Respectfully submitted,

BENJAMIN H. SHERMAN,
ANTHONY R. CHIARA,
53 West Jackson Boulevard,
Chicago 4, Illinois,
Attorneys for Respondents.

HILL, SHERMAN, MERONI, GROSS & SIMPSON,
53 West Jackson Boulevard,
Chicago 4, Illinois,
Of Counsel for Respondents.

LIBRARY
SUPREME COURT, U. S.

Office-Supreme Court, U.S.
FILED
NOV 13 1964
JOHN F. DAVIS, CLERK

In the Supreme Court
OF THE
United States

October Term, 1964

No. 581

Harry P. Locklin and Elmer J. Brant, general partners doing business under the firm name of Radiant Color Company,

Petitioners,

vs.

Switzer Brothers, Inc., Robert C. Switzer and Joseph L. Switzer,

Respondents.

REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

Carl Hoppe,
2510 Russ Building
San Francisco 4, California
Attorney for Petitioners.

William J. Marshall, Jr.,
135 South LaSalle Street
Chicago 3, Illinois
Of Counsel for Petitioners.

PERKAU-WALSH PRINTING CO., SAN FRANCISCO, CALIFORNIA

Table of Authorities Cited

Cases

	Page
Arrowsmith v. Gleason (1889), 129 U.S. 86	2
Conley v. Gibson (1957), 355 U.S. 41	2
Estudillo v. Security Loan Etc. Co. (1906), 149 Cal. 556	3
Foman v. Davis (1962), 371 U.S. 178	2
Hazel-Atlas Co. v. Hartford Co. (1944), 322 U.S. 238	3
Marshall v. Holmes (1891), 141 U.S. 589	2
Radiant Burners v. Peoples Gas Co. (1961), 364 U.S. 656	2
Truett v. Wainwright, et al. (1847), 4 Gilman (Ill.), 418	3
United States v. Shubert (1955), 348 U.S. 222	2

Rules

Federal Rules of Civil Procedure, Rule 11	1

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1964

No. 581

HARRY P. LOCKLIN and ELMER J. BRANT, general partners doing business under the firm name of Radiant Color Company,

Petitioners,

vs.

SWITZER BROTHERS, INC., ROBERT C. SWITZER and JOSEPH L. SWITZER,

Respondents.

REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

1. Four times, Switzer advises this Court that the supplemental counterclaim and the original complaint are "unverified" (pp. 1, 2 and 8). This is true, but it is not germane. Rule 11, Federal Rules of Civil Procedure, states ". . . Except when otherwise specifically provided by rule or statute, pleadings need not be verified or ac-

companied by affidavit. . . ." There is no rule or statute which requires that an antitrust pleading or that the pleading in an independent action under Rule 60(b) must be verified. If the case were to turn on such a procedural technicality, then, in the interest of justice, this cause should be remanded for the purpose of enabling the pleadings to be verified.

2. Five times, Switzer informs this Court that the pleadings below are "unsupported" (pp. 1, 2 and 8). Rule 11, referred to above, precludes the view that a cause of action must be supported at the pleading stage. The reason is that, in the pleadings stage, all of the substantial averments of a pleading are regarded as being true without further support. This is as true in an independent action for relief from a judgment [*Arrowsmith v. Gleason* (1889), 129 U.S. 86, 97; and *Marshall v. Holmes* (1891), 141 U.S. 589, 596], as it is in an antitrust case [*United States v. Shubert* (1955), 348 U.S. 222, 225; and *Radiant Burners v. Peoples Gas Co.* (1961), 364 U.S. 656].

The present pleadings, Radiant submits should be liberally construed in accordance with the spirit of *Conley v. Gibson* (1957), 355 U.S. 41 and *Foman v. Davis* (1962), 371 U.S. 178.

3. Switzer charges that Radiant seeks to "retry" and "relitigate" fraud issues which have already been "determined" (pp. 1 and 2). This begs the question. All three questions posed by Radiant involve the implicit subissue as to whether the motion proceedings determined in the discretion of the Court on conflicting affidavits are the same as a trial. Radiant contends that there has been no trial, no final determination and no res judicata. Swit-

zer contends that there has been a trial and that therefore the new pleadings seek a retrial. The basic unsoundness of Switzer's premise is illustrated in *Hazel-Atlas Co. v. Hartford Co.* (1944), 322 U.S. 238. At page 249, footnote 5, this Court noted:

> "We do not hold, and would not hold, that the material questions of fact raised by the charges of fraud against Hartford could, if in dispute, be finally determined on ex parte affidavits without examination and cross-examination of witnesses. . . ."

Indeed, one of the practical advantages which the independent action has over the motion procedure is that the independent action affords the litigant the use of the discovery rules and the safeguards of cross-examination in open court whereas the motion procedure depends upon ex parte affidavits which may be destroyed by ex parte counter-affidavits [*Truett v. Wainwright, et al.*, (1847), 4 Gilman (Ill.), 418, 420; and *Estudillo v. Security Loan Etc. Co.* (1906), 149 Cal. 556, 564].

4. Switzer argues, footnote, page 8, that "Radiant did not even controvert that affidavit (of Joseph L. Switzer) when presented to the California District Court." Pages 216 and 217 of the appendix before the Court of Appeals for the Seventh Circuit in Nos. 14,383-14,384, nine copies of which are submitted to this Court, disclose that Radiant objected to "these affidavits being accepted as proof of the facts although they are proper to show that there might be a disputable issue."

5. Switzer's argument, pages 10-14, arranging quotations from the petition and from the opinion of the Court of Appeals in pairs, does not, Radiant submits, warrant

a denial of the petition but serves instead to demonstrate that the petition should be granted. Switzer's presentation effectively points up several areas in which Radiant contends that the Court of Appeals committed clear error. Switzer's argument really proves that the petition is truly geared to the opinion of the Court of Appeals and that it does not tender extraneous or latent issues to this Court for the purposes of obtaining review.

For the foregoing reasons, as well as the reasons stated in the petition for the writ of certiorari, petitioners pray that the writ of certiorari issue on their petition.

Respectfully submitted,

CARL HOPPE,

Attorney for Petitioners.

WILLIAM J. MARSHALL, JR.,

Of Counsel for Petitioners.

LIBRARY
SUPREME COURT, U. S.

Office-Supreme Court, U.S.
FILED
FEB 11 1965
JOHN F. DAVIS, CLERK

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1964

No. 581

HARRY P. LOCKLIN and ELMER J. BRANT, general partners doing business under the firm name of Radiant Color Company,

Petitioners,

vs.

SWITZER BROTHERS, INC., ROBERT C. SWITZER and JOSEPH L. SWITZER,

Respondents.

PETITION FOR REHEARING

CARL HOPPE,
2610 Russ Building,
San Francisco 4, California,
Attorney for Petitioners.

WILLIAM J. MARSHALL, JR.,
135 South LaSalle Street,
Chicago 3, Illinois,
Of Counsel for Petitioners.

Table of Authorities Cited

Cases

	Pages
Bradley Mining Co. v. Boice (1953), 345 U.S. 932	5
Estudillo v. Security Loan Etc. Co. (1906), 149 Cal. 556	6, 7
Fiske v. Buder (8 Cir. 1942), 125 F. 2d 841	6
Foman v. Davis (1962), 371 U.S. 178	7
Heiser v. Woodruff (1945), 327 U.S. 726	6, 7
Hickman v. Taylor (1947), 329 U.S. 495	8
Jeffords v. Young (1929), 98 Cal. App. 400	6
Mercoid Corp. v. Mid-Continent Co. (1944), 320 U.S. 661	4
Pickett v. Union Terminal Co. (1941), 314 U.S. 704	5
Schlagenhauf v. Holder (1964), 379 U.S. 104	8
Shawkee Mfg. Co. v. Hartford Co. (1944), 322 U.S. 271	4
Skidmore v. Swift & Co. (1944), 322 U.S. 723	5
United States v. Ohio Power Co. (1957), 353 U.S. 98	5

Codes

California Code of Civil Procedure:	
Section 473	6

Rules

Federal Rules of Civil Procedure:	
Rule 58, Section 2	5
Rule 60(b)	5, 6, 7, 8

Texts

Moore's Federal Practice (Second Edition), Volume 7, p. 10, ¶60.10	6

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1964

No. 581

HARRY P. LOCKLIN and ELMER J. BRANT, general partners doing business under the firm name of Radiant Color Company,

Petitioners,

vs.

SWITZER BROTHERS, INC., ROBERT C. SWITZER and JOSEPH L. SWITZER,

Respondents.

PETITION FOR REHEARING

Petitioners respectfully pray that this Court rehear and set aside its order denying the writ of certiorari made on January 18, 1965.

1. Petitioners submit that intervening circumstances of substantial and controlling effect should warrant a reconsideration of the denial of the petition. A closely

related issue has come before this Court in another case now pending by the grant of the petition for the writ of certiorari on January 18, 1965 in No. 602 (Walker Process Equipment, Inc. v. Food Machinery and Chemical Corporation).

The first question presented here has within its four corners the first and second questions presented in No. 602. Those matters presented in petitioners' first question here were presented to the Court of Appeals for the Seventh Circuit on propositions of law 1, 2 and 7. These propositions were argued, following a discussion of the fact allegations, on the legal bases set forth at pages 32-34 and 46-47 of Appellants' Opening Brief, included in the record submitted to this Court on the petition. As a convenience, those portions of the brief are reproduced in Appendix A attached hereto.

Proposition 1 so presented to the Court of Appeals, which reads:

> "1. An attempt to monopolize based upon an unwarranted assertion of the patent monopoly is actionable under the antitrust laws, U. S. Code, Title 15, Section 2, where the attempt involves misuse of a lawful patent; or the use of an unlawful patent; or wrongful conduct in the Patent Office to obtain patent; or wrongful conduct in courts to sustain the patent; or a combination of these factors."

relies upon alleged conduct even more revealing of fraud and imposition on the public than the conduct alleged by Walker in questions 1 and 2 of its petition which read:

> "1. Whether it is possible for a person injured in his business by a fraudulently secured patent monopoly on an unpatentable product to have a private

claim for damages, the fraud comprising concealing from the Patent Office, and denying under oath, the facts of the patentee's own invalidating prior sales and use.

"2. Whether a monopoly based on a fraudulently procured patent is exempted and shielded from the clearly expressed prohibitions of Section 2 of the Sherman Act by the mere existence of the patent which is the fraudulent instrument of monopoly."

Both Walker and Radiant presented their claims for relief on the pleadings. In each case, therefore, the District Court did not have the benefit of trial exposure to the proofs which would have established the pleaded misconduct and the Court of Appeals did not have any findings of fact upon which it could factually base either fraud or non-fraud determinations.

The Court of Appeals answered the substantive issue which Walker thus posed in the following key sentence, 335 F. 2d 316, Petition No. 602, Appendix 3a:

"Although patent misuse may be the basis of an independent anti-trust action, *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661 (1944), Walker shows us no case in which the issue of fraud on the Patent Office was used affirmatively in an anti-trust action. . . ."

Circuit Judge Kiley who announced this decision for the Court of Appeals also announced the decision for the Court in the instant case. Thus, when the instant decision came down on July 24, 1964, only nine days after the Walker decision came down on July 15, 1964, the Court did not even discuss propositions of law 1, 2 and 7 pre-

sented by the petitioners in this case. The substantive phases of the petitioners' claims for relief under the antitrust laws silently went down the drain with Walker's claim for relief. With them, silently went petitioners' argument on non-res judicata based on *Mercoid.*

In their respective petitions, Walker and Radiant both urged a conflict between the law applied by the Court of Appeals and the law announced by this Court in parallel cases, to wit *Mercoid Corp. v. Mid-Continent Co.* (1944), 320 U.S. 661; and *Shawkee Mfg. Co. v. Hartford Co.* (1944), 322 U.S. 271. It is manifest that the views of the Court of Appeals as to the scope and meaning of *Mercoid* and *Shawkee* must have influenced its decision in this case as well as in the Walker case.

By the grant of the petition to Walker, it is quite apparent that this Court has tentatively concluded that there is a possibility of error in the views of the Court of Appeals for the Seventh Circuit and that there is a public interest in that issue which is common to the Walker case and the present case. In the present case, Radiant submits that the public interest is at least equal to the public interest shown by Walker and by the Department of Justice as amicus curiae, if not more so.

In Walker, the pleadings allege fraud on the Patent Office alone. The pleadings here not only allege fraud on the Patent Office to obtain a prima facie unwarranted monopoly in the first instance, but they also allege subsequent fraudulent conduct and false representations to the District Court and to the United States Court of Appeals to secure and to retain a favorable adjudication confirming the validity of that monopoly.

In Walker, the patent owner eventually caused a voluntary dismissal of its claim for relief, with prejudice, as the charges of fraudulent conduct began to unfold. In the present case, the patent owner retained its initial victory by successfully opposing a reopening of the case to take evidence and pertinent discovery as the charges of fraudulent conduct began to unfold.

In Walker, the public interest is academic to the extent that the patent there in suit has expired. The present pleadings show that the public interest is real in that the patent involved does not expire until October 18, 1974, more than nine years in the future.

Because of the close parallel of this case with No. 602, petitioners pray that the prior order denying the writ of certiorari be vacated on the authority of Rule 58, section 2; *United States v. Ohio Power Co.* (1957), 353 U.S. 98; *Bradley Mining Co. v. Boice* (1953), 345 U.S. 932; *Skidmore v. Swift & Co.* (1944), 322 U.S. 723; and *Pickett v. Union Terminal Co.* (1941), 314 U.S. 704.

2. Petitioners submit further that there is here a substantial ground available to them although not previously presented. In applying the defense of res judicata to prior motion proceedings brought to open a judgment, the Court of Appeals has decided an important question of federal law which has not been, but should be, settled by this Court.

This Court, in its adoption of Rule 60(b), specifically provided that "This rule does not limit the power of a court (1) to entertain an action to relieve a party from a judgment, order, or proceeding . . ." (308 U.S. 739).

By amendment, this Court subsequently provided that "the procedure for obtaining any relief from a judgment shall be by motion as prescribed in these rules or by an independent action." (329 U.S. 864).

Many authorities are in accord that the procedure which this Court provided in Rule 60(b) is based upon Section 473 of the Code of Civil Procedure of California [Notes of Advisory Committee on Rules; *Fiske v. Buder* (8 Cir. 1942), 125 F. 2d 841; and Moore's Federal Practice, Second Edition, Volume 7, page 10, ¶60.10].

When Rule 60(b) was originally adopted, the California practice under its section 473 had become well settled that res judicata is not applicable to prior unsuccessful motion proceedings brought to reopen the judgment when the res judicata defense was raised in a subsequent independent action. The California practice remains unchanged to date and has demonstrated its worth by history. Landmark cases are *Jeffords v. Young* (1929), 98 Cal. App. 400, at pages 406-407 and *Estudillo v. Security Loan Etc. Co.* (1906), 149 Cal. 556, at page 564. Both cases are referred to in the opinion of the Court of Appeals below and are excerpted in Appendix B attached to this petition.

The Court of Appeals held that "we are compelled by *Heiser v. Woodruff*, 327 U.S. 726 (1945), not to extend the California construction of the rule to the question of whether a ruling on a motion is res judicata of a later independent equitable action." (Petition for Certiorari, App. B, page 9).

Petitioners submit that there is not the slightest word in the entire *Heiser* decision which compelled the Court of Appeals so to disinherit Rule 60(b) by alienating it from its rightful parent. Neither the derivation of Rule 60(b) nor the California practice is even mentioned in the *Heiser* decision. The mere fact that respondents in the *Heiser* case stated the derivation of Rule 60(b) and the California practice at pages 24-25 of their brief filed in the October Term 1945, No. 496 (as respondents in this case pointed out to the Court of Appeals for the Seventh Circuit at page 37 of their brief) does not, petitioners submit, constitute that rejection of the California practice which compelled the Court of Appeals to construe Rule 60(b) without reference to its family tree.

The resolution of this single issue is one peculiarly within an area fully warranting the time and guidance of this Court. This follows not only because Rule 60(b) was promulgated by this Court, but also because the latent recesses of *Heiser* have brought about the present reconstruction of that rule.

Grave injustice has followed the ruling of the Court of Appeals on this critical legal issue. Petitioners here have actually been caught without a remedy for the pleaded fraud for following that well delineated trail which parent authority commends as being "the correct practice" (*Estudillo v. Security Loan Etc. Co.* (1906), 149 Cal. 556, 565, App. B, page ix). Petitioners submit that *Foman v. Davis* (1962), 371 U.S. 178, precludes a summary disposi-

tion of their claims for relief on a technical application of the Rules of Civil Procedure rather than a liberal one.

Petitioners respectfully submit that this case presents a very important problem under the Federal Rules of Civil Procedure as to the applicability of the underlying California law to Rule 60(b) and that the writ should be granted upon the authority of *Hickman v. Taylor* (1947), 329 U.S. 495, 497; and *Schlagenhauf v. Holder* (1964), 379 U.S. 104, 109.

3. Questions arising by virtue of a patentee's alleged fraudulent conduct in the Patent Office and in the courts are of a recurring nature of continuing importance as evidenced by the case study of typical situations collected in Appendix C attached to this petition for rehearing. Paraphrasing the Memorandum of the United States as amicus curiae in No. 602, at page 3, a decision, holding that one who has suffered damages as a result of the suppression of competition under a patent procured by fraud and under an adjudication of validity procured by further fraud may maintain an antitrust action charging illegal monopolization as well as an independent action, would be an important complement to government action, for such a private remedy would bring to light frauds which now pass undiscovered. It would also discourage misrepresentations to the Patent Office and to the courts in infringement suits upon patents thus obtained.

For the foregoing reasons, petitioners respectfully pray that this Court grant this petition for rehearing, vacate the order denying certiorari and grant the petition for the writ of certiorari.

Respectfully submitted,

CARL HOPPE,

Attorney for Petitioners.

WILLIAM J. MARSHALL, JR.,

Of Counsel for Petitioners.

CERTIFICATE OF COUNSEL

Counsel certifies that the foregoing Petition for Rehearing is presented in good faith and not for delay and that the petition is restricted to grounds which are confined to intervening circumstances of substantial or controlling effect and to other substantial grounds available to petitioners although not previously presented.

CARL HOPPE,

Counsel for Petitioners.

(Appendices A, B and C Follow)

Appendix A

EXCERPTS FROM APPELLANTS' OPENING BRIEF, FILED IN THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT IN NOS. 14,383-14384.

PROPOSITIONS OF LAW

1. An attempt to monopolize based upon an unwarranted assertion of the patent monopoly is actionable under the antitrust laws, U. S. Code, Title 15, Section 2, where the attempt involves misuse of a lawful patent; or the use of an unlawful patent; or wrongful conduct in the Patent Office to obtain patent; or wrongful conduct in courts to sustain the patent; or a combination of these factors.

Hartford-Empire Co. v. Glenshaw Glass Co. (W.D. Penn. 1942), 47 F. Supp. 711;

Clinton Engines Corp. v. Briggs & Stratton Corp. (E.D. Mich. S.D. 1959), 175 F. Supp. 390;

United States v. Hartford-Empire Co. (N.D. Ohio W.D. 1942), 46 F. Supp. 541, affirmed and modified in Hartford-Empire Co. v. U. S. (1945), 323 U.S. 386;

Mercoid Corp. v. Mid-Continent Co. (1944), 320 U.S. 661;

United States v. Singer Mfg. Co. (1963), 374 U.S. 174;

Dairy Foods Incorporated v. Dairy Maid Products Coop. (7 Cir. 1961), 297 F. 2d 805; and

Kobe, Inc. v. Dempsey Pump Co. (10 Cir. 1952), 198 F. 2d 416, cert. den. (1953), 344 U.S. 837.

2. The power of the District Court under U. S. Code, Title 15, Section 26, to grant injunctive relief "against threatened loss or damage by a violation of the antitrust

laws . . . when and under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity, under the rules governing such proceedings. . . ." extends to prior patent litigation matters.

Hartford-Empire Co. v. U. S. (1945), 323 U.S. 386, 419.

• • • • •

7. In addition, a claim brought under the antitrust laws is a separate statutory cause of action strictly limiting application of the doctrine of res judicata as it applies to defenses which might have been raised in prior patent litigation.

Mercoid Corp. v. Mid-Continent Co. (1944), 320 U.S. 661, at pages 670-672.

• • • • •

Defendant's conduct violates the antitrust laws.

U.S. Code, Title 15, Section 2 provides:

> "Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, ..."

The general caveat of *Mercoid Corp. v. Honeywell Co.* (1944), 320 U.S. 680, page 684, is that, "The legality of any attempt to bring unpatented goods within the protection of the patent is measured by the anti-trust laws not by the patent law." This should, we submit, apply with equal force to the legality of any attempt to enforce a patent monopoly which is infested with misrepresentations made both to the Patent Office and to the federal courts.

Many authorities could be collected which illustrate that the antitrust laws are violated whenever one attempts to

establish a monopoly by a misuse of the patent system. Typical examples include the decision by this Court in *Switzer Brothers, Inc. v. Locklin* (7 Cir. 1961), 297 F.2d 39, as well as the decisions in *United States v. Singer Mfg. Co.* (1963), 374 U.S. 174; *Mercoid Corp. v. Mid-Continent Co.* (1944), 320 U.S. 661; *Dairy Foods Incorporated v. Dairy Maid Products Coop.* (7 Cir. 1961), 297 F.2d 805; and *Kobe, Inc. v. Dempsey Pump Co.* (10 Cir. 1952), 198 F.2d 416, cert. den. (1952), 344 U.S. 837.

Moreover, a trend is emerging that any attempt to secure an unwarranted monopoly in any line of commerce through the acquisition of a patent by false representations to the patent office and through the successful prosecution of patent litigation utilizing spurious evidence or other fraud is indeed a violation of the antitrust laws. *Hartford-Empire Co. v. Glenshaw Glass Co.* (W.D. Penn. 1942), 47 F. Supp. 711, 717; *Clinton Engines Corp. v. Briggs & Stratton Corp.* (E.D. Mich. S.D. 1959) 175 F. Supp. 390, 392, 399, 406; *United States v. Hartford-Empire Co.* (N.D. Ohio W.D. 1942) 46 F. Supp. 541, 612; and *Winkler-Koch Engineering Co. v. Universal Oil Prod. Co.* (S.D. N.Y. 1951) 100 F. Supp. 15.

Although none of the cases cited above is based upon precisely the same facts as those in the case at bar, plaintiff submits that by analogy they support the general proposition that any unwarranted attempt to monopolize which is supported by a patent or a judgment of validity and infringement obtained by fraud and misrepresentation is in and of itself a violation of the antitrust laws.

The antitrust laws provide for injunctive relief.

By statute, the victim of an antitrust violation is entitled to injunctive relief "against threatened loss or damage by a violation of the antitrust laws . . . when and under the same conditions and principles as injunctive relief against

threatened conduct that will cause loss or damage is granted by courts of equity, under the rules governing such proceedings, . . .'' [U.S. Code, Title 15, Section 26]. Under case law, the antitrust laws have been invoked to prevent a patentee from enforcing a judgment obtained through the use of spurious evidence in *Hartford-Empire Co. v. U. S.* (1945), 323 U.S. 386 at page 419. The court, at page 392 of its opinion, left "much of the detailed history of the transactions to be gleaned from the opinion below." The opinion below made specific reference to the use of the spurious Clarke article in *United States v. Hartford-Empire Co.* (N.D. Ohio W.D. 1942), 46 F. Supp. 541 at page 612.

* * * * *

The public interest delimits res judicata.

The Court of Appeals for the Ninth Circuit held that the denial of relief in the California proceedings was justified, at least in part, with respect to the showing made with respect to the public welfare (App. 266). In the case at bar, the showing as to public interest has been expanded to include allegations under the antitrust laws showing general public injury (App. 15-16, 45-46).

This question[6] is considered in *Mercoid Corp. v. Mid-Continent Co.* (1944), 320 U.S. 661. In that case it was urged that the issue of patent misuse and violation of the antitrust laws was barred by the doctrine of *res judicata* because the defense could have been raised and decided in earlier proceedings involving the same parties by virtue of the doctrine of privity. In the introductory portion of the opinion of the court, it is pointed out, page 665, "It is the public interest which is dominant in the patent system." Later, the court refused to apply the doctrine of *res judi-*

[6]The Writ of Certiorari was granted "because of the public importance of the questions presented." (320 U.S. 663).

cata because, page 670, "the Court would be placing its imprimatur on a scheme which involves a misuse of the patent privilege and a violation of the anti-trust laws." Finally, at page 671, the court noted that the violation might have been asserted as a defense in the prior suit, but held that this "does not mean that the failure to do so renders the prior judgment *res judicata* as respects it." It was particularly held, page 671, that, "That claim is more than a defense; it is a separate statutory cause of action."

More recently, in *United States v. Singer Mfg. Co.* (1963), 374 U.S. 174, the court considered the filing of patent infringement actions and the settlement of a patent interference conflict, together with other factors, as constituting overt acts in violation of the antitrust laws. The public interest aspect of the patent versus antitrust conflict is brought out in the concurring opinion of Mr. Justice White, 374 U.S. 199, as follows:

> "... There is a public interest here, see *Mercoid Corp. v. Mid-Continent Co.*, 320 U.S. 661, 665; *United States v. Masonite Corp.*, 316 U.S. 265, 278, which the parties have subordinated to their private ends—the public interest in granting patent monopolies only when the progress of the useful arts and of science will be furthered because as the consideration for its grant the public is given a novel and useful invention. U. S. Const., Art. I, § 8; 35 U.S.C. § 101; Statute of Monopolies, 21 Jac. I, c. 3. When there is no novelty and the public parts with the monopoly grant for no return, the public has been imposed upon and the patent clause subverted. *United States v. Bell Telephone Co.*, 128 U.S. 315, 357, 370; see *Katzinger Co. v. Chicago Mfg. Co.*, 329 U.S. 394, 400-401; *Cuno Corp. v. Automatic Devices Corp.*, 314 U.S. 84, 92; *A.&P. Tea Co. v. Supermarket Corp.*, 340 U.S. 147, 154-155 (concurring opinion). Whatever may be the duty of a single party to draw the prior art to the Office's attention, see 35 U.S.C. § 115; CFR § 1.65(a); *Bell Telephone, supra*, at 356, clearly collusion among applicants to prevent prior art from coming to or being drawn to the Office's

> attention is an inequitable imposition on the Office and on the public. *Precision Instrument Co. v. Automotive Co.*, 324 U.S. 806; see H. R. Rep. No. 1983, 87th Cong., 2d Sess. 1 (Rep. on Pub. L. 87-831). . . ."

The case of *United States v. Bell Telephone Co.* (1888), 128 U.S. 315, to which Mr. Justice White referred, very pointedly states, page 355:

> "It seems to us that if Bell was aware, at the time that he filed his specifications, asserted his claims, and procured his patents, that the same matter had been previously discovered and put into operation by other persons, he was guilty of such a fraud upon the public that the monopoly which these patents grant to him ought to be revoked and annulled. . . ."

At page 357 the court stated further:

> ". . . If such a fraud were practised upon an individual, he would have a remedy in any court having jurisdiction to correct frauds and mistakes and to relieve against accident; . . ."

Similarly, in *Bros Incorporated v. W. E. Grace Manufacturing Company* (5 Cir. 1963), 320 F.2d 594, the court held that prior motions to reopen based upon the filing of false affidavits did not constitute *res judicata*. As to the public interest in analogous proceedings, the court there said, page 609:

> "Another factor, perhaps of even greater importance, is the nature of this litigation. The issue is the validity of a patent. The public interest in a governmentally bestowed monopoly is of transcendent importance. . . ."

Other analogous cases recognizing the public interest in rooting out the misconduct of patentees include *Shawkee Mfg. Co. v. Hartford Co.* (1944), 322 U.S. 271; *Hazel-Atlas Co. v. Hartford Co.* (1944), 322 U.S. 238; and *Precision Co. v. Automotive Co.* (1945), 324 U.S. 806.

Appendix B

EXCERPTS FROM CALIFORNIA CASES ON SECTION 473 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE

Jeffords v. Young (1929), 98 Cal. App. 400, at pages 406-407:

"Finally, it is contended that in an effort to vacate the judgment, having unsuccessfully resorted to the remedy provided by section 473 of the Code of Civil Procedure, the appellants are now barred from applying to equity for the same relief. The remedies for relief from a judgment procured by fraud, mistake or excusable neglect, provided by section 473 of the Code of Civil Procedure, and the ordinary suit in equity are entirely distinct and cumulative. An unsuccessful resort to the first mentioned remedy does not bar an application to equity for relief. (15 Cal. Jur. 27, sec. 127; *Estudillo v. Security L. & T. Co.*, 149 Cal. 556, 561 [87 Pac. 19]; *Bacon v. Bacon*, 150 Cal. 477 [89 Pac. 317]; *Herd v. Tuohy*, 133 Cal. 55, 63 [65 Pac. 139]; 3 Freeman on Judgments, 5th ed., p. 2488, sec. 1198.) In *Bacon v. Bacon, supra*, at page 484, it is said with respect to these different remedies: 'It (sec. 473, Code Civ. Proc.) is a cumulative remedy, and does not displace the remedy in equity. *(Baker v. O'Riordan*, 65 Cal. 368 [4 Pac. 232].) We have recently held not only that it does not displace the equitable remedy, but also that an adverse decision on such a motion does not necessarily bar a subsequent suit to vacate the judgment for the same cause.' To the same effect the author of Freeman on Judgments, *supra*, says: 'The summary disposition of a question upon motion, resulting in a denial of the relief claimed, should not *ipso facto* preclude the party from obtaining the aid of chancery. . . . The denial of a motion to open a judgment should not of necessity preclude a court of equity from subsequently granting the relief denied at law. The decision of such motion is not such a *res adjudicata* as precludes equity from reexamining the question. The opening

of a judgment in a court of law is usually *ex gratia*, while restraining the plaintiff from proceeding on the judgment is, in equity, more nearly a matter of right. The facilities for investigating the issues presented in the motion are usually much better in equity than at law, owing to the more summary character of the motion proceedings.' "

Estudillo v. Security Loan Etc. Co. (1906), 149 Cal. 556, at page 564:

". . . The burden of proof rests upon no one more heavily than upon a plaintiff seeking relief upon the ground of fraud, and he ought not to be unduly hampered as to the means of making proof. In support of a motion he is limited to *ex parte* affidavits of voluntary witnesses unless the court in its discretion permits a wider latitude. In a separate suit he may bring unwilling witnesses into court by subpoena, and he may take their depositions. The remedy is ampler and more efficacious, and the case is one which demands the amplest and most efficacious remedy. My conclusion is that the plaintiffs had the right to maintain this suit, notwithstanding they knew of the frauds alleged in ample time to have moved upon that ground.

"But it is objected, that they did move, and that their right to have the judgment vacated is *res adjudicata*. It does not, however, appear from this complaint that they moved upon the ground of the fraud here alleged, and the report of our decision on the appeal from the order denying the motion shows that it was made upon the ground of want of authority in their attorney to stipulate. The allegations of this complaint do not show that the order denying the motion to vacate is a bar to this action. In Black on Judgments it is said (sec. 321): 'In an action to set aside a judgment on the ground of fraud, neither the judgment thus sought to be vacated, nor an order refusing to set aside a default and permit an answer in that case can be set up as a bar to the action.' From which it would seem to follow that in such a

case as this the correct practice would be to move promptly under section 473 of the Code of Civil Procedure, and if defeated in that proceeding to commence a separate action for relief upon the ground of the plaintiff's fraud—a practice to be commended as convenient and expeditious in case the motion should be granted, and as affording the injured party all the advantage of a regular trial of the issue of fraud if the more summary proceeding proved ineffectual.

"This is the course which plaintiffs have taken, and if the practice is admissible, they cannot be charged with lack of diligence. They moved promptly for relief in the foreclosure suit, and before that motion was finally decided they commenced this action."

Appendix C

STATISTICAL SUMMARY OF CASES MENTIONING ALLEGATIONS OF FRAUD IN CONNECTION WITH THE PROSECUTION OF PATENT APPLICATIONS OR IN CONNECTION WITH THE PROSECUTION OF LITIGATION INVOLVING UNITED STATES LETTERS PATENTS

I. Cases which have reached the Supreme Court

Walker Process Equipment, Inc. v. Food Machinery and Chemical Corporation, October Term, 1964, No. 602.

In this patent infringement case, the alleged infringer filed a counterclaim alleging violation of the antitrust laws by maintaining and enforcing a patent which was obtained through fraud upon the Patent Office. The District Court and the Court of Appeals found that the counterclaim did not state a cause of action. *Food Machinery & Chem. Corp. v. Walker Process Equip., Inc.* (7 Cir. 1964), 335 F. 2d 315. The Supreme Court granted certiorari on January 18, 1965, as No. 602. This case is now pending in the Supreme Court.

Marr v. A. B. Dick Co. (1946), 329 U.S. 680.

The Supreme Court vacated a patent infringement judgment of the Court of Appeals for the Second Circuit and remanded the cause to determine whether the prosecution might not constitute a fraud upon the courts. After remand, the infringer failed to make good his proofs. The underlying infringement action was, however, dismissed and the appeal was dismissed on the ground that the fraud issues had become moot. *A. B. Dick Co. v. Marr* (2 Cir. 1952), 197 F. 2d 498.

Universal Oil Co. v. Root Rfg. Co. (1946), 328 U.S. 575.

The Court considered the role of amici curiae who participated in investigation in which certain patent infringement judgments were vacated because certain testimony pointed to bribery of a judge by a member of the bar to secure a decision favorable to Universal. Subsequently, in *William Whitman Co. v. Universal Oil Products Co.* (D. Dela. 1954), 125 F. Supp. 137, the plaintiff obtained restitution from the patent holder for damages which he sustained by virtue of the judgment entered against him following the favorable decision in the *Root* case and for restitution of monies paid under a license agreement entered into in settlement of the judgment. An antitrust complaint arising out of this case is reported in *Winkler-Koch Engineer. Co. v. Universal Products Co.* (S.D.N.Y. 1947), 79 F. Supp. 1013.

Precision Co. v. Automotive Co. (1945), 324 U.S. 806.

Patentee settled Patent Office interference wherein junior party filed false affidavit. District Court dismissed patent infringement action for unclean hands. Court of Appeals for Seventh Circuit reversed. Supreme Court reversed Court of Appeals and affirmed District Court.

Hazel-Atlas Co. v. Hartford Co. (1944), 322 U.S. 238.

Patentee filed article in Patent Office with spurious authorship to secure allowance of claims and relied upon article in Court of Appeals. Court of Appeals for Third Circuit denied relief from judgment and Supreme Court reversed.

Shawkee Mfg. Co. v. Hartford Co. (1944), 322 U.S. 271.

Patentee relied upon original *Hazel-Atlas* decision to secure favorable adjudication. Third Circuit Court of Appeals denied relief both on original appeal and on subsequent bill of review procedure. The Supreme Court reversed. In subsequent proceeding, damages were awarded to Glenshaw Glass Company, McKee Glass Company and Shawkee arising out of this decision. *Hartford-Empire Co. v. Shawkee Mfg. Co.* (3 Cir. 1947), 163 F. 2d 474.

II. Cases arising in the First Circuit which reached the Court of Appeals

Marks v. Polaroid Corporation (D. Mass. 1955), 129 F. Supp. 243.

A patent infringement action was defended in part upon the ground that the patentee made false representations to the Patent Office to obtain its patent. The Court found that the statement complained of was factually untrue but was not the result of a deliberate attempt to falsely represent the facts and that it did not deceive or mislead the examiner in his consideration of the patentability of the application pending before him. The defense was dismissed. This determination was affirmed on appeal in *Marks v. Polaroid Corporation* (1 Cir. 1956), 237 F. 2d 428. Certiorari was denied (1957), 352 U.S. 1005.

III. Cases arising in the First Circuit which did not reach the Court of Appeals

United States v. Standard Electric Time Company (D.Mass. 1957), 155 F. Supp. 949.

The government brought an action to cancel a patent on the ground of fraud insofar as the patentee did not disclose certain prior art known to him to the examiner. The action was dismissed on the ground that there was no evidence of fraud and there is no requirement that a solicitor for a patent must disclose all pertinent prior art to the examiner's attention and in part on the ground that the patentee in good faith could entertain the belief that the prior art was not pertinent.

IV. Cases arising in the Second Circuit which reached the Court of Appeals

Helene Curtis Industries v. Sales Affiliates (S.D. N.Y. 1954), 121 F.Supp. 490.

The alleged infringer asserted that the patentee concealed and suppressed the authorship and inconsistent results of certain tests which it submitted to the Patent Office and to the District Court, and contended that there was a deliberate distortion of test records, as well as a misrepresentation of the teachings of a prior art reference. The court could not say with any reasonable degree of certainty that there had been a deliberate misrepresentation and dismissed the unclean hands charge. The patent was, however, held invalid on straight patent grounds. The finding of invalidity was affirmed in *Helene Curtis Industries v. Sales Affiliates* (2 Cir. 1956), 233 F. 2d 148, without reference to the fraud charges. Certiorari

was denied (1956), 352 U.S. 879. Rehearing was denied (1956), 352 U.S. 945.

Dictograph Products Co. v. Sonotone Corp. (S.D. N.Y. 1951), 95 F.Supp. 126.

Plaintiff brought an action to annul and set aside orders and decrees in the Patent Office in interference proceedings and on an appeal to the Board of Appeals of the Patent Office and to the United States Court of Customs and Patent Appeals. Plaintiff charged that by conspiratorial action the defendant obtained a patent through a sinister fraud practiced on the Patent Office and the Court of Customs and Patent Appeals as well as on the plaintiff and its assignor. The court denied a motion for summary judgment stating that res judicata is no answer to the claim. This determination was subsequently overruled. Res judicata was held applicable in *Dictograph Products Company v. Sonotone Corporation* (2 Cir. 1956), 230 F. 2d 131. A petition for rehearing was denied in *Dictograph Products Co. v. Sonotone Corporation* (2 Cir. 1956), 231 F. 2d 867. A petition for writ of certiorari was dismissed per stipulation pursuant to Rule 60 (1956), 352 U.S. 883.

V. Cases arising in the Second Circuit which did not reach the Court of Appeals

I.C.E. Corporation v. Armco Steel Corp. (S.D.N.Y. 1961) 201 F.Supp. 411.

This was a declaratory judgment action in which the plaintiff alleged that the defendant obtained issuance of the patent upon fraudulent misrepresentations to the Patent Office. A motion to strike was granted on the ground

that charges of fraudulent misrepresentations used in connection with the issuance of a patent are not available as a basis for affirmative relief in private litigation regarding the validity of a patent.

VI. Cases arising in the Third Circuit which reached the Court of Appeals

Hardinge Company, Inc. v. Jones & Laughlin Steel Corp. (W.D.Penn. 1958), 164 F.Supp. 75.

A patent infringement claim was defended in part on the ground of unclean hands in that the applicant falsely represented to the examiner that a certain prior art German patent cited by the examiner was inoperative. The District Court denied a motion for summary judgment based on this ground and plaintiff subsequently caused the action to be dismissed with prejudice. The denial of attorneys' fees was held not to be an abuse of discretion in *Hardinge Company, Inc. v. Jones & Laughlin Steel Corp.* (3 Cir. 1960), 275 F. 2d 37. Certiorari was denied (1960), 363 U.S. 828.

Baldwin-Lima-Hamilton Corp. v. Tatnall Meas. Sys. Co. (E.D.Penn. 1958), 169 F.Supp. 1.

A patent infringement action was defended on the ground that the patentee knowingly made false statements to the Patent Office which induced it to grant the patent following the earlier rejection. The defense was stricken on the ground that the proof of the fraud did not meet proper evidentiary standards. The patent was, however, held unenforceable because patent misuse on other grounds in violation of the antitrust laws. This latter determination was affirmed in *Baldwin-Lima-Hamilton Corp.*

v. Tatnall Meas. Sys. Co. (3 Cir. 1959), 268 F. 2d 395. Certiorari was denied (1959), 361 U.S. 894.

Tipper Tie v. Hercules Fasteners (D.N.J. 1955), 130 F.Supp. 3.

The defense was made that the patentee failed to call certain prior art known to it to the attention of the Patent Office. The court held that this was not fraud but that the neglect rendered the presumption of validity weak, indeed. This was affirmed per curiam in *Tipper Tie v. Hercules Fasteners* (3 Cir. 1956), 232 F. 2d 635.

Etten v. Lovell Mfg. Co. (W.D.Penn. 1949), 83 F. Supp. 178.

Plaintiff lost an interference in the Patent Office and brought an action to authorize the issuance of the patent to him and for declaratory judgment for injunction and damages. The court found that the defendants fraudulently procured a patent when they knowingly and deliberately submitted and caused to be submitted to the Patent Office false and untrue evidence and affidavits while concealing and suppressing other pertinent evidence in the files of their attorneys. The court held that the prior interference proceedings were not res judicata but denied plaintiff's claim for damages on the ground of conspiracy. The judgment was vacated in *Etten v. Lovell Mfg. Co.* (3 Cir. 1950), 184 F. 2d 737, for a determination as to whether the plaintiff had a legal interest which entitled him to maintain the action. The Supreme Court denied certiorari (1951), 340 U.S. 931. On remand the plaintiff was held entitled to maintain the suit in *Etten v. Lovell Mfg. Co.* (W.D.Penn. 1954), 121 F.Supp. 291. This was affirmed in *Etten v. Lovell Manufacturing Com-*

pany (3 Cir. 1955), 225 F. 2d 844, both on res judicata and on the fraud facts and conclusions. Certiorari was denied (1956), 350 U.S. 966.

Pangborn Corporation v. American Foundry Equip. Co. (3 Cir. 1946), 159 F. 2d 88.

This was a case to enjoin prosecution of a patent interference proceedings, to require restoration of patent application to status of abandoned application and for treble damages under the antitrust laws. One of the parties contended that a patent applicant had filed a false affidavit to obtain the revival of an abandoned application. The Court held that it had no jurisdiction of the subject matter until after the patent issued by the patent office. Subsequent proceedings in *Pangborn Corporation v. American Foundry Equip. Co.* (3 Cir. 1948), 170 F. 2d 339, at page 342, disclose that the Commissioner of Patents did conclude that the revival had been procured by fraud on the Patent Office and it dissolved the interference in question.

VII. Cases arising in the Third Circuit which did not reach the Court of Appeals

Dimet Proprietary v. Industrial Metal Protectives (D.Dela. 1952), 109 F.Supp. 472.

Plaintiff brought an action for declaratory judgment as to invalidity of defendant's patent. Several paragraphs of the complaint which alleged fraud in the procurement of a patent were stricken on the ground that suit by the United States is the sole method whereby a patent can be cancelled or nullified for fraud.

United States v. Hartford-Empire Co. (D.Dela. 1947), 73 F.Supp. 979.

In this case the government brought an action to cancel several Hartford-Empire patents on the ground of fraud. The defendant raised the defense of res judicata by virtue of *Hartford-Empire Co. v. Coe* (D. of C. Cir. 1936), 87 F. 2d 741. The court accepted the allegations of fact in the complaint as true and struck the res judicata defense.

VIII. Cases arising in the Fourth Circuit which reached the Court of Appeals

Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp. (D.Md. 1963), 218 F. Supp. 1.

A patent infringement suit was defended in part on the ground that the applicant for the patent willfully concealed certain prior art from the examiner. The court found it unnecessary to characterize the conduct of the prosecution because it found the patent invalid and the conduct therefore harmless. The judgment was affirmed in *Technograph Printed Circuits, Ltd. v. Bendix Corporation* (4 Cir. 1964), 327 F. 2d 497.

United States Pipe and Foundry Co. v. Woodward Iron Co. (4 Cir. 1964), 327 F. 2d 242.

This was an action for patent infringement in which the defendant alleged fraud on the part of the patentee on the premise that a disclaimer agreement was filed in the Patent Office to conceal the true inventor of the invention. The District Court found no fraud in the transaction and the Court of Appeals affirmed.

Triumph Hosiery Mills, Inc. v. Alamance Industries, Inc. (M.D. N.C. 1961), 191 F.Supp. 652.

A declaratory judgment action against the patentee was supported in part by a charge that the patentee in obtaining the patent did not call the examiner's attention to a prior public use of the patented stocking. The court entered a decree that the patent in suit had been rendered invalid by reason of such concealment of the prior art. The fraud determination was reversed in *Triumph Hosiery Mills, Inc. v. Alamance Industries, Inc.* (4 Cir. 1962), 299 F. 2d 793 on the ground that there was not the required standard of a clear and definite showing of fraud. The entire patent, however, was held invalid for want of invention. Certiorari was denied (1962), 370 U.S. 924.

American Chain & Cable Co. v. Rochester Ropes (4 Cir. 1952), 199 F. 2d 325.

A patent infringement action was defended and a counterclaim for restitution was filed based on the charge that the owner of the patent did not come into the Patent Office with clean hands and was guilty of reprehensible conduct during the progress of the Briggs patent through the Patent Office. It was charged that the plaintiff secured the patent by making a settlement in an interference so that the facts with regard to the merits of the case were improperly suppressed and evidence of commercial success withheld the fact that license agreements contained price fixing provisions. The charge was dismissed by the District Court for insufficient evidence and this was sustained on appeal.

Orrison v. C. Hoffberger Co. (D.Md. 1951), 97 F. Supp. 689.

The applicant for a patent filed an affidavit as to commercial success to obtain his patent which contained a factual misstatement. It was found that the misstatement was the result of inadvertence and was not fraudulent. The patent was held invalid over the prior art. The judgment of invalidity was sustained in *Orrison v. C. Hoffberger Co.* (4 Cir. 1951), 190 F. 2d 787.

Mas v. Coca-Cola Co. (4 Cir. 1947), 163 F. 2d 505.

An action to have plaintiff adjudged entitled to a design patent on a beverage bottle was dismissed on the ground that plaintiff had not come into court with clean hands. Plaintiff's counsel admitted that copies of letters in the Patent Office files were not genuine.

IX. Cases arising in the Fourth Circuit which did not reach the Court of Appeals

Marshall v. Procter & Gamble Manufacturing Company (D.Md. 1962), 210 F.Supp. 619.

A patent infringement action was defended in part on the ground that the patentee falsely represented his examples to the Patent Office. The court did not grant relief on this ground but held that the false claims neutralized the statutory presumption of validity and held that patent invalid.

X. Cases arising in the Fifth Circuit which reached the Court of Appeals

Bros Incorporated v. W. E. Grace Manufacturing Company (5 Cir. 1963), 320 F. 2d 594.

In this patent infringement case, a motion for relief from a patent infringement judgment was made on the ground that the patentee himself had put the patented product in public use and on sale more than one year prior to filing the application. The trial court denied the relief but the Court of Appeals held relief appropriate. The court considered the question as to whether the prior denial of a motion under Rule 60(b) by the Court of Appeals for the Sixth Circuit was res judicata and held that it was not res judicata. On remand in *Bros Incorporated v. W. E. Grace Manufacturing Company* (N.D. Tex. 1964), 227 F.Supp. 759, the District Court vacated the earlier judgment of infringement and found that the maker's knowledge of the falsity of a material misrepresentation of fact is not a necessary element of fraud.

James B. Clow & Sons, Inc. v. United States Pipe & Foundry Co. (5 Cir. 1963), 313 F. 2d 46.

A patent infringement complaint was defended on the ground that the plaintiff procured the patent in suit by fraud made in connection with the settlement of an interference proceeding. The trial court found that the defense was not proved in *United States Pipe & Fdry. Co. v. James B. Clow & Sons, Inc.* (N.D. Ala. S.D. 1962), 205 F. Supp. 140. The Court of Appeals affirmed.

Edward Valves, Inc. v. Cameron Iron Works, Inc. (5 Cir. 1961), 286 F. 2d 933.

A patent infringement suit was defended on the ground that the patentee made misrepresentations to the Patent

Office to obtain the grant of the patent in suit. The claim was made that the patentee represented that he had constructed and successfully tested the valve disclosed in his application whereas the test valve was inherently incapable of successful operation as built. The defense was stricken because the statement was not essentially material to the issuance of the patent. An antitrust counterclaim was dismissed in *Cameron Iron Works, Inc. v. Edward Valves, Inc.* (S.D. Tex. 1959), 175 F.Supp. 423. Certiorari was denied (1961), 368 U.S. 833.

Seismograph Service Corporation v. Offshore Raydist (5 Cir. 1958), 263 F. 2d 5.

This was a patent infringement action which was dismissed because of the patentee's unclean hands in filing a patent application while negotiating with an inventor who was working in the same field and preparing the application to cover the developments of that inventor. The lower court decision is reported in 135 F.Supp. 342.

XI. Cases arising in the Fifth Circuit which did not reach the Court of Appeals

None found.

XII. Cases arising in the Sixth Circuit which reached the Court of Appeals

E. W. Bliss Company v. Cold Metal Process Company (N.D. Ohio E.D. 1959), 174 F.Supp. 99.

The defense was made that there was improper conduct in handling several patent applications in the Patent Office. One ground was held to lack merit and the other

ground was held binding on the basis of *United States v. Cold Metal Process Co.* (N.D. Ohio E.D. 1945), 62 F.Supp. 127, affirmed (6 Cir. 1947), 164 F. 2d 754. The case was affirmed without discussion of this point in *Cold Metal Process Company v. E. W. Bliss Company* (6 Cir. 1960), 285 F. 2d 231. Certiorari was denied (1961), 366 U.S. 911.

Aluminum Company of America v. Sperry Products, Inc. (6 Cir. 1960), 285 F. 2d 911.

The charge was made that the patentee made misrepresentations of fact to the Patent Office which induced the allowance of the patent. The trial court found that the estimates and representations were immaterial and overruled the defense in *Sperry Products, Inc. v. Aluminum Company of America* (N.D. Ohio E.D. 1959), 171 F.Supp. 901. This was affirmed on appeal.

Becton-Dickinson & Co. v. Robert P. Scherer Corp. (E.D. Mich. S.D. 1952), 106 F.Supp. 665.

In a declaratory judgment suit the plaintiff charged that the patentee committed a fraud on the Patent Office and on the plaintiff by representing that he was a sole inventor when the patented subject matter in truth involved either prior inventorship of third parties or co-inventorship with other third parties. The court dismissed the fraud charge for failure of proof. The Court of Appeals affirmed the findings that fraud in obtaining the patent was not proved. *Becton Dickinson & Co. v. R. P. Scherer Corp.* (6 Cir. 1954), 211 F. 2d 835.

Huszar v. Cincinnati Chemical Works (6 Cir. 1949), 172 F. 2d 6.

In this case the patentee swore that his invention had not been in public use and the evidence at the trial disclosed that the invention was not his sole creation and had been in public use. The District Court held that the patents were invalid on the public use and that they were further invalid because of fraud of the patentee in executing affidavits to the effect that the disclosed devices had not been in public use and because the alleged inventions were the joint and composite product of various persons so that the patentee was not their sole creator or originator. The Court of Appeals eliminated the finding of fraud because fraud must be proved by clear and convincing evidence and there must have been an intention to deceive.

United States v. Cold Metal Process Co. (N.D. Ohio E.D. 1945), 62 F.Supp. 127.

The government brought suit to cancel a patent in part because of alleged fraud. A charge that the same law firm handled two conflicting applications owned by different parties was held to be proper. A charge that a false affidavit was used to obtain allowance of the application was held to be not fraudulent on the ground that the representations were not unequivocal. The Court of Appeals affirmed the dismissal of complaint on the ground that neither fraud nor mutual mistake of fact existed in the procurement of the patent because the applicant believed statements of fact made in his affidavits made during patent prosecution were true and when considered in their entirety were true. *United States v. Cold Metal Process Co.* (6 Cir. 1947), 164 F. 2d 754. The Supreme Court denied certiorari (1948), 334 U.S. 811, as well as rehearing, 334 U.S. 835.

Mueller v. Campbell (S.D. Ohio, W.D. 1945), 59 F. Supp. 464.

The defendant in this case filed a false preliminary statement under oath in an interference between defendant and plaintiff so as to antedate the patented machine. The interference was not settled or compromised and the defendant defaulted. This was held to be not unclean hands with regard to the patent. The Court of Appeals affirmed the disposition of the fraud charges on the merits. *Campbell v. Mueller* (6 Cir. 1947), 159 F.2d 803.

General Metals Powder Co. v. S. K. Wellman Co. (N.D. Ohio, E.D. 1944), 57 F.Supp. 220.

In order to obtain patent, patentee filed affidavits in Patent Office which were proved to be inaccurate by subsequent experiments and evidence. The District Court held that the affidavits were not intentionally false and were not evidence of bad faith or fraudulent motive. Patent was held invalid on other grounds. The judgment was affirmed in *General Metals Powder Co. v. S. K. Wellman Co.* (6 Cir. 1946), 157 F. 2d 505 without discussion of the affidavit. Both certiorari and rehearing were denied in 329 U.S. 812, and 330 U.S. 854, respectively.

XIII. Cases arising in the Sixth Circuit which did not reach the Court of Appeals

Clinton Engines Corp. v. Briggs & Stratton Corp. (E.D. Mich. S.D. 1959), 175 F.Supp. 390.

Plaintiff brought an action for alleged violation of the antitrust laws charging that the defendant in a patent infringement action deliberately and fraudulently with-

held from the Patent Office his knowledge of prior art and previous public use of the invention. The District Court denied a motion for summary judgment based in part on the defense that the patentee had been exonerated of fraud in the earlier patent infringement trial.

Cutting Room Appliances Corp. v. Weatherbee Coats (N.D. Ohio E.D. 1950), 158 F.Supp. 231.

In this case the prevailing party asked for attorneys' fees on the ground that the plaintiff did not disclose to the patent office examiner certain prior art known to it. The court held that this fact in itself without further evidence is not sufficient proof of fraud in the prosecution of the patent to warrant attorneys' fees.

W. E. Plechaty Co. v. Heckett Engineering (N.D. Ohio E.D. 1956), 145 F.Supp. 805.

The court held that a patentee could not obtain equitable relief because of the inventor's failure to disclose a prior German patent in his affidavits filed in the Patent Office.

Foundry Equipment Company v. Carl-Mayer Corporation (N.D. Ohio E.D. 1955), 128 F.Supp. 640.

A patent infringement action was defended upon the ground that the patent was void because of certain misrepresentations made by the patentee to the Patent Office when he applied for his patent. It was admitted that the inconsistencies were not the result of any fraudulent intent on the part of the applicant for the patent. The defense was overruled but the patent was held invalid on straight patent grounds.

Clark v. Ace Rubber Products (N.D. Ohio, E.D. 1952), 108 F.Supp. 200.

A patent infringement action was defended on the ground that the patentee did not come into court with clean hands because an affidavit filed with the Patent Office was false. The court found that the affidavit was somewhat ambiguous and it may well be that the patentee considered his representation to have been a truthful statement. The unclean hands defense failed. The patent was held invalid on other grounds.

XIV. Cases arising in the Seventh Circuit which reached the Court of Appeals

Locklin v. Switzer Brothers, Inc. (7 Cir. 1964), 335 F. 2d 331.

In this case an adjudicated infringer by counterclaim in a patent infringement action and by complaint in an independent action sought relief under the antitrust laws alleging that the patentee obtained a patent by practicing fraud on the Patent Office and secured validity of the patent by practicing fraud on a federal district court and a federal court of appeals. The District Court and the Court of Appeals both held that prior motion proceedings to reopen a patent infringement judgment were res judicata. The Supreme Court denied certiorari on January 18, 1965 as No. 581.

Armour and Company v. Wilson & Co. (N.D. Ill. E.D. 1958), 168 F.Supp. 353.

A patent infringement action was defended in part on the ground that the patentee made a false and misleading statement to the Patent Office in filing a continuation in

part application. The District Court held that this invalidated the patent. It held the patent invalid on other grounds as well. The fraud defense was reversed in *Armour & Co. v. Wilson & Co.* (7 Cir. 1960), 274 F. 2d 143, on the ground that the charges were not established by the requisite degree of proof. The invalidity of the patent on other grounds was sustained.

The Diversey Corporation v. Charles Pfizer and Co. (7 Cir. 1958), 255 F. 2d 60.

This was a patent infringement action which was dismissed on the merits and also on the ground of unclean hands. The unclean hands consisted in the filing of a false affidavit relating to the need for taking certain depositions during pretrial discovery. Cross petitions for the writ of certiorari were dismissed under Rule 60 on October 29, 1958, in 358 U.S. 876.

Unilectric, Inc. v. Holwin Corporation (7 Cir. 1957), 243 F. 2d 393.

This was an action by a licensee of a patent against the licensor in which the licensee attacked the validity of the license on the ground that the patent was void ab initio and unenforceable by reason of fraud in the procurement of the patent. The offer of proof rejected by the trial court consisted of certain depositions alleged to show that the patentee and an officer of the company had knowledge of certain prior art which made failure to disclose them to the Patent Office amount to fraud. The District Court and the Court of Appeals both held the evidence insufficient to prove the charge. The decision below is reported in 143 F.Supp. 492. Certiorari was denied (1957) in 355 U.S. 830.

Hazeltine Research v. Avco Manufacturing Corp. (7 Cir. 1955), 227 F.2d 137.

The patent infringement action was defended on the ground that reissue application was tainted with fraud. The trial court found in fact that the record fails to establish that there was any fraud representation or misrepresentation or any material fact to the Patent Office or concealment of any material fact from the Patent Office in connection with the filing of a reissue application or its prosecution. *Hazeltine Research v. Avco Manufacturing Corp.* (N.D. Ill. E.D. 1954), 126 F.Supp. 595. This was affirmed on appeal. Certiorari was denied (1956), 350 U.S. 987.

XV. Cases arising in the Seventh Circuit which did not reach the Court of Appeals

Mallard v. Kitto (N.D. Ill. E.D. 1946), not officially reported, 69 USPQ 568.

The District Court held it to be unclean hands for an applicant for patent to have changed the dates on certain exhibits and to have falsely testified as to when words were placed upon another exhibit. No appeal was taken. On subsequent proceedings in the Patent Office, the entire patent application was stricken from the Patent Office files on the ground of fraud in *ex parte Mallard* (C.D. 1946), 71 USPQ 294.

W. F. & John Barnes Co. v. International Harvester Co. (N.D. Ill. E.D. 1943), 51 F.Supp. 254, 280.

Patentee filed false affidavit in patent office to secure allowance of application. Fraud and fraudulent intent de-

nied. In absence of full discussion of the question of an appropriate penalty, none was assessed. Patent held invalid on other grounds. No appeal taken.

XVI. Cases arising in the Eighth Circuit which reached the Court of Appeals

None found.

XVII. Cases arising in the Eighth Circuit which did not reach the Court of Appeals

None found.

XVIII. Cases arising in the Ninth Circuit which reached the Court of Appeals

Pursche v. Atlas Scraper and Engineering Co. (9 Cir. 1961), 300 F.2d 467.

This was a patent infringement action in which the infringer alleged that the patentee attempted to pirate another's invention and deliberately misrepresented himself to the officials of the Patent Office in order to gain the monopoly. The defense was overruled on the merits in the trial court and the Court of Appeals affirmed. Certiorari and rehearing were denied in 1962, 371 U.S. 911 and rehearing was denied in 1963, 371 U.S. 959.

Locklin v. Switzer Brothers, Inc. (9 Cir. 1961), 299 F.2d 160.

This was a patent infringement suit in which the adjudicated infringer brought a motion for a new trial based upon alleged proof of deception practiced by the patentee

and patent owner both on the Patent Office and on the District Court. The trial court denied the motion for a new trial and the Court of Appeals affirmed. Certiorari and rehearing were denied (1962) in 369 U.S. 861, 891.

XIX. Cases arising in the Ninth Circuit which did not reach the Court of Appeals

Martin v. Ford Alexander Corporation (S.D. Cal. 1958), 160 F.Supp. 670.

A patent infringement action was defended on the ground of fraud practiced on the Patent Office which consisted of the statement in some affidavits secured by counsel for the patentee to the effect that affiants knew of no apparatus seeking to achieve the same results. The evidence disclosed that the affidavits did not conform to the facts. There was no evidence that the affidavits had the effect of expediting the granting of the applications. The defense was stricken on the ground that scienter was lacking. The patents were held valid and infringed.

Wooldridge Mfg. Co. v. R. G. La Tourneau, Inc. (N.D. Cal. N.D., 1948), 79 F.Supp. 908.

This case was an action for declaratory relief and for violation of the antitrust laws alleging that the defendant obtained a reissue patent by fraud and as a part of a conspiracy to restrain trade. Defendant brought a motion to strike the fraud allegations and the antitrust cause of action. The court denied both motions.

XX. Cases arising in the Tenth Circuit which reached the Court of Appeals

Admiral Corporation v. Zenith Radio Corporation (10 Cir. 1961), 296 F.2d 708.

This was an action for infringement of patents in which the Court of Appeals affirmed their validity and infringement. The court denied an unclean hands defense based upon the contention that certain patents were unenforceable because the patent solicitors filed and prosecuted the applications without bringing to the attention of the Patent Office a certain prior art patent. The trial court found that the solicitors acted in good faith and were under no professional obligation or moral duty to call the specified patent to the attention of the Patent Office while the application was pending. This decision affirmed 190 F.Supp. 41.

XXI. Cases arising in the Tenth Circuit which did not reach the Court of Appeals

Dubuque Products, Inc. v. Lemco Corporation (D. Utah, 1963), 227 F.Supp. 108.

A patent infringement action was defended in part on the ground that the patentee was guilty of fraud in not advising the patent office of a patent and publication of which it had knowledge and of its own sales of a related product which occurred more than one year prior to the application date. The court held that there was no fraud because the differences between the devices of the prior art and those of the patent were such substantial nature that the plaintiff was not obliged to divulge them to the Patent Office. The patent was held valid and infringed.

Interstate Bakeries v. General Baking Co. (D. Kan. S.D. 1948), 84 F.Supp. 92.

In this case the patentee filed a false claim for inventorship and the court held that evidence of this false claim deprived the patent in suit of any presumption of validity.

XXII. Cases arising in the District of Columbia which reached the Court of Appeals

Haloro, Inc. v. Owens-Corning Fibreglas Corporation (D. of C. Cir. 1959), 266 F.2d 918.

This was a patent infringement action in which the trial court held that a patent obtained in earlier 4915 proceedings was unenforceable because the patent had been procured by fraud and inequitable conduct. The representations had to do with the commercial success of the invention. The Court of Appeals held that the evidence of fraud and inequitable conduct was not sufficient to meet the required standards and reversed the court below. After a trial on the remand the court below and the Court of Appeals both held the patent invalid for want of invention in *Haloro, Inc. v. Owens-Corning Fibreglas Corporation* (D. of C. Cir. 1961) 288 F.2d 148.

XXIII. Cases arising in the Court of Customs and Patent Appeals

Kruger v. Resnick (CCPA 1952), 197 F.2d 348.

In its brief on appeal in an interference proceeding, the losing party asserted that perjury existed below. The court held that the issue was not before the court because

not mentioned in the reasons for appeal and that the subject matter should be brought to the attention of appropriate officials.

Smith v. Hayward (CCPA, 1951), 193 F.2d 198.

The losing party in interference proceedings brought a bill in review alleging that the prevailing party perpetrated a fraud upon the court in earlier proceedings. The petition was denied in part for lack of diligence and in part because there was no merit whatever with respect to any fraud or misrepresentation on the part of the prevailing party, his witnesses, or his counsel in the involved litigation.

Josserand v. Taylor (CCPA, 1946), 159 F.2d 249.

A petition to reopen interference proceedings was brought on the ground that perjured testimony concerning a prior public use and reduction to practice was used by the prevailing party in the original interference. The Court found that the allegations showed intrinsic fraud and denied the petition to reopen. Subsequently, the Commissioner of Patents entered an order that a prima facie case of fraud had been established and ordered the applications stricken from the file subject to an order to show cause. This issue became moot upon a determination that the application was invalid because of public use as appears from *application of Josserand* (CCPA, 1951), 188 F.2d 486. The determination on the fraud issues was subsequently held to be res judicata in *Taylor v. Marzall* (C. A. D. C. 1952), 196 F.2d 592.